



Daily Report

East Asia

FBIS-EAS-96-116
Friday
14 June 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

East Asia

FBIS-EAS-96-116

CONTENTS

14 June 1996

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Japan: Kubo, Mondale Expected To Hold Insurance Talks [KYODO]	1
Japan: Settlement of Insurance Row 'Unlikely' Before Summit [KYODO]	1
Japan: U.S. Complaint Over Film Market 'Politically Motivated' [KYODO]	1
Japan: U.S. Film Complaint Reflects 'Serious Misunderstandings' [KYODO]	2
Japan: Fuji Official: U.S. Admits Kodak Claim 'Groundless' [KYODO]	2
Japan: Text of Tsukahara Statement on Film Dispute With U.S. [Japanese Ministry of International Trade and Industry WWW]	2
Japan: Tsukahara Welcomes U.S. Decision To Take Film Case to WTO [KYODO]	3
Tokyo To Rebut U.S. Complaint to WTO in Film Market Case [KYODO]	4
Japan: Diet Approves Mutual Military Goods Supply Pact With U.S. [KYODO]	4
Japan: Okinawa Governor Ota Leaves for U.S. Meeting With Perry [KYODO]	4
Japan: Diplomat Views U.S. Ties After Clinton Visit [GAIKO FORUM Jun]	5
Japan: Hashimoto To Accept Opinions on G-7 Summit on Internet [KYODO]	9
Japan: Officials Preview Lyons G-7 Special Session [KYODO]	9
Tokyo Plans To Host International Employment Conference [KYODO]	10
Tokyo Decides To Supply DPRK Emergency Food Aid Via UN [KYODO]	10
Japan: Hashimoto, Kim To Discuss Sex Slaves, World Cup [KYODO]	11
Tokyo Weighs Funding PRC Three Gorges Dam Project [KYODO]	11
Japan: Automakers Concerned About Indonesia Ties, WTO Lawsuit [NIHON KEIZAI SHIMBUN 13 Jun]	13
Japan: Economic Planning Agency Report Notes 'Sign of Recovery' [KYODO]	13
Japan: BOJ Governor: Policy Aims at 'Self-Sustained Recovery' [KYODO]	14
Japan: Kubo: Government Faces 'Tight Financial Situation' [KYODO]	14
Japan: TSE Suspends Sumitomo Following Loss Reports [KYODO]	15
Japan: MITI Chief 'Surprised' by \$1.8 Billion Sumitomo Loss [KYODO]	15
Japan: Coalition Panel Remains Divided on MOF Reform [KYODO]	15
Japan: Hashimoto Urges Reorganization of Government Offices [NIHON KEIZAI SHIMBUN 13 Jun]	16
Japan: Kajiyama Notes 'Decline in Moral Standards Among Japanese' [KYODO]	17
Japan: Farm Minister Confirms Plan for New 'Jusen' Fund Plan [KYODO]	17
Japan: Business Group Urges Government To End 'Managed Markets' [KYODO]	17
Japan: Hashimoto on Need To Maintain Publication Resale System [YOMIURI SHIMBUN 14 Jun]	18
Japan: White Paper Says Tokyo Lags Behind West in Telecom Field [KYODO]	19
Japan: U.S. Media Firm To Launch Digital Satellite Service [KYODO]	19
Japan: MPT, European Space Agency Plan To Develop Satellite [NIHON KEIZAI SHIMBUN 14 Jun]	19
Japan: Education Ministry Announces Funding for 'Futuristic' Research [KYODO]	20
Japan: Editorial: No 'Futenma Effect' Observed in Okinawa Election [MAINICHI SHIMBUN 11 Jun]	20
Japan: Hatoyama To Launch New Party With 5-10 Members [KYODO]	21

ROK: Government May Recruit More Foreign Workers [YONHAP]	47
ROK: French Transport Minister Arrives To Sign Cooperation Agreement [AFP]	47
ROK: New Private Group To Promote Exchanges With Latin America [YONHAP]	47
ROK: Assembly Expected 'To Fail' To Elect Speaker, Vice Speakers [YONHAP]	48
ROK: National Assembly Recesses Through 17 Jun [YONHAP]	49

SOUTHEAST ASIA

Burma

Burma: Foreign Minister Departs for Meeting in Vientiane [Rangoon Radio]	50
Burma: Pro-SLORC Rally Held in Haka 3 Jun [Rangoon TV]	50
Burma: Article Accuses Suu Kyi of Craving 'Power' [KYEMON 11 Jun]	50
Burma: Article Urges Suu Kyi To Return to Britain [THE NEW LIGHT OF MYANMAR 12 Jun]	52
Burma: Envoys, Watchers View Expected Crackdown on Opposition [THE NATION 14 Jun]	55
Burma: Commission Accepts Resignation of Two More NLD MP's [Rangoon Radio]	56
Burma: 21 Insurgents Reportedly Surrendered in May [Rangoon Radio]	56

Brunei, Malaysia & Singapore

Singapore

Singapore: 'Acute' Japanese Concerns Over PRC 'Threat' Viewed [BUSINESS TIMES 14 Jun]	56
---	----

Cambodia

Cambodia: Australian Ships Arrive for Joint Exercise [Melbourne International]	57
Cambodia: King Reportedly Recovers From Partial Paralysis [Phnom Penh Radio]	57
Cambodia: King Sihanouk Again Postpones Plan To Return [AFP]	58
Cambodia: Hun Sen Hails Success of Dry-Season Campaign [Phnom Penh Radio]	58
Cambodia: Minister Holds News Conference on Crime Problem [REAKSMEI KAMPUCHEA 13 Jun]	59
Cambodia: 'Puppet' Servicemen Urged To Remember Deadline [Radio PGNUNS]	59

Indonesia

Indonesia: Suharto Receives President Clinton's Special Envoy [Jakarta Radio]	60
Indonesia: East Timor Bishop: Over 100 Youths Arrested After Riots [AFP]	61
Indonesia: PDI Chief Views Request for Party Congress [TEMPO 8 Jun]	61
Indonesia: PDI Chief Protests Against Permit for Party Congress [MEDIA INDONESIA 14 Jun]	62
Indonesia: Daily Views TEMPO Decision, Supreme Court Integrity [THE JAKARTA POST 14 Jun]	63

Laos

Laos: Burmese Foreign Minister, Delegation Arrive [Vientiane Radio]	64
Laos: Thailand Opens Consulate General in Savannakhet Province [PHUCHATKAN 13 Jun]	65

Thailand

Thailand Denies Burma's Accusation of Involvement in Illegal Logging [THAILAND TIMES 10 Jun]	65
Thailand: Checkpoints Still Obstacle in Burmese Border Talks [THAILAND TIMES 10 Jun] ..	65
Thailand: Rangoon Gives New Status, Privileges to Khun Sa Area [PHUCHATKAN 11 Jun]	66
Thailand: Burmese Junta Urged To Talk to Opposition [BANGKOK POST 13 Jun]	66
Thailand: Ministry Suggests Compromise to Aung San Suu Kyi [Melbourne International] ...	67

Thailand: Government, ASEAN Urged To Find Alternative Burma Approach [<i>THE NATION</i> 14 Jun]	67
Thailand: Prime Minister Affirms Government 'Still Stable' [<i>Bangkok Radio</i>]	69
Thailand: Finance Minister Outlines Focus During Term [<i>BANGKOK POST</i> 13 Jun]	69
Thailand: Daily Views New Economic Committee [<i>BANGKOK POST</i> 14 Jun]	69

Vietnam

SRV: Ministry Mourns Death of Le Mai; U.S. Reaction Noted [<i>Hanoi International</i>]	70
SRV: Development of U.S. Ties, MIA Cooperation Viewed [<i>Hanoi International</i>]	71
SRV: Progress of Foreign Direct Investment Detailed [<i>NHAN DAN</i> 9 Jun]	71
SRV: Deputy Minister Reviews 'Improving' Foreign Investment [<i>Hanoi International</i>]	72
SRV: Foreign Reporting Ahead of Party Congress Decried [<i>QUAN DOI NHAN DAN</i> 8 Jun]	72
SRV: Dissident Freed After One Year in Jail [<i>AFP</i>]	73
SRV: VFF Chairman Interviewed on Great National Unity [<i>TUOI TRE</i> 18 Apr]	73

AUSTRALASIA

Australia

Australia Agrees To Donate Money for DPRK Food Aid [<i>Melbourne International</i>]	76
Australia: Editorial Views Howard Government's First 100 Days [<i>THE SYDNEY MORNING HERALD</i> 10 Jun]	76

Fiji

Fiji: Atoll Nuclear Plan 'Smokescreen' for Marshall Islands [<i>Wellington Radio</i>]	76
---	----

Japan

Japan: Kubo, Mondale Expected To Hold Insurance Talks

OW1306143896 Tokyo KYODO in English
1427 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japanese Finance Minister Wataru Kubo and U.S. Ambassador to Japan Walter Mondale will meet Friday [14 June] for their third round of talks on the ongoing insurance dispute between the two countries, financial sources said Thursday.

In previous talks held Monday, Kubo offered a concession, saying that Japan could postpone for three months the entry of Japanese life and nonlife insurers into the "third sector" insurance market through subsidiaries.

In the upcoming talks, attention will be paid to what kind of reply the U.S. will give to the Japanese offer, the sources said.

The third sector involves insurance policies for illnesses, accidents and nursing care that fall between life and nonlife products.

It is an area where foreign insurers operating in Japan have been strong and where Japanese insurers have effectively been locked out.

Japan wants to allow its insurers to tap the lucrative market through subsidiaries they will be allowed to establish under a revised insurance law that took effect April 1.

Washington, however, says that under the bilateral pact Japan is committed to avoiding any radical change in the third sector for a reasonable period after liberalizing the primary life and nonlife sectors.

Japan: Settlement of Insurance Row 'Unlikely' Before Summit

OW1406125696 Tokyo KYODO in English
1238 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan and the United States appear unlikely to settle their dispute over the Japanese insurance market before the June 27-29 Group of Seven (G-7) summit in Lyons, France, government officials said Friday [14 June].

The officials said the possibility of the hoped-for settlement before the summit is questionable because the two countries failed to iron out differences at the third meeting between Finance Minister Wataru Kubo and U.S. Ambassador to Japan Walter Mondale.

Although Kubo and Mondale will hold another round of talks on the issue, the date for the fourth meeting has yet to be decided, the officials said.

The bilateral dispute focuses on Japanese life insurance companies' entry through subsidiaries into the market for accident insurance, where foreign insurers are strong.

While the entry is due to start in October, Kubo proposed a three-month delay during his Friday meeting with Mondale, the officials said.

But Mondale reportedly rejected the offer and instead made new proposals regarding access to Japan's major insurance markets as well as entry into the so-called third sector, which beside accident insurance includes illness and nursing insurance.

In July, Japanese life insurance companies will start applying to the Finance Ministry for approval to set up nonlife subsidiaries under Japan's new insurance law.

Ministry officials said they will process the applications as required by the law even if the two governments fail to reach a settlement to their insurance dispute.

Under the circumstances, Japan and the U.S. may seek a settlement when Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton meet at the G-7 summit, analysts said.

Japan: U.S. Complaint Over Film Market 'Politically Motivated'

OW1306160296 Tokyo KYODO in English
1554 GMT 13 Jun 96

[FBIS Transcribed Text] Washington, June 13 KYODO — The U.S. Government announced Thursday [13 June] it will file a complaint with the World Trade Organization (WTO) claiming that Japan is blocking foreign access to its photographic film and paper market.

The government said it will urge bilateral negotiations with Japan on the issue under the world trade watchdog on the grounds that trade practices in the Japanese market violate the WTO general agreement on trade in services.

Washington's fresh action means a switch from its position seeking bilateral talks under pressure for unilateral sanctions under the section 301 provision of the 1974 Trade Law, industry analysts said.

Japanese Government sources in Tokyo said the U.S. action is politically motivated ahead of the presidential election this fall.

Specifically, they said, the U.S. Government wants to prolong negotiations with Japan because its yearlong

probe into the Japanese photo film and paper market under section 301 has found it difficult to conclude that foreign products are being blocked by anticompetitive practices.

In line with a petition filed by Eastman Kodak Co., the U.S. Government has been complaining that Japan's large-scale retail store law prevents the leading American maker of photo products from opening sales outlets in supermarkets and other large stores.

In the latest suit with the Geneva-based WTO, the U.S. also claims that the Japanese Government has introduced measures to hamper foreign access to the market, such as limits on the value of gifts to customers.

Washington also complains that Fuji Photo Film Co., which holds a 70 percent share of the Japanese photo film and paper market, and the Japanese industry association have engaged in anticompetitive practices such as fixing of prices.

The Japanese Government sources said Japan will accept bilateral talks with the U.S. under the WTO and be able to refute all claims by Washington.

Japan: U.S. Film Complaint Reflects 'Serious Misunderstandings'

*OW1406004396 Tokyo KYODO in English
2326 GMT 13 Jun 96*

[FBIS Transcribed Text] Tokyo, June 14 KYODO — International Trade and Industry Minister Shumpei Tsukahara said early Friday [14 June] that Japan will act on World Trade Organization (WTO) rules over the U.S. complaint filed with the WTO against Japan's photographic film and paper market.

The United States lodged a complaint Thursday with the Geneva-based WTO, claiming that "unreasonable" anticompetitive practices impede foreign access in Japan.

In a statement, Tsukahara said the U.S. complaint contains "serious misunderstandings" about Japan's photographic film and paper market and he is convinced that such misunderstandings could be dispelled through WTO talks.

Fuji Photo Film Co., which holds a 70 percent share of the Japanese photo film and paper market, also said it cannot accept the U.S. Government's recognition of market access barriers in Japan as alleged by Eastman Kodak Co. of the U.S.

Fuji Photo Film also said the issue should be solved on facts at the world trade watchdog.

Japan: Fuji Official: U.S. Admits Kodak Claim 'Groundless'

*OW1406115196 Tokyo KYODO in English
1138 GMT 14 Jun 96*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The U.S. Government has virtually admitted that complaints by Eastman Kodak Co. about business practices in Japan's photographic film and paper market are groundless, an executive official of Fuji Photo Film Co. said Friday [14 June].

The filing of a complaint with the World Trade Organization [WTO] by the Office of the U.S. Trade Representative over the issue is tantamount to Washington's acceptance of Fuji's persistent claim that the issue should be dealt with by a neutral party, said Masayuki Muneyuki.

Muneyuki, a senior managing director of Japan's largest photosensitive materials maker, was speaking at a press conference.

The United States on Thursday lodged a complaint with the Geneva-based WTO, claiming that anticompetitive practices impede foreign access to the Japanese market.

Muneyuki said the U.S. action evidently means that the U.S. now seeks a solution to the trade dispute by the global trade watchdog, departing from its past stance of dealing with the problem under the Section 301 provision of the 1974 trade law that holds the threat of possible trade sanctions.

However, Muneyuki also said it is unacceptable that the U.S. has acknowledged the allegations of trade barriers in the Japanese photo film and paper market.

Last July, the Office of the U.S. Trade Representative launched a 301 probe into Eastman Kodak's petition that Fuji and the Japanese Government are collaborating to block foreign access through anticompetitive practices.

Japan: Text of Tsukahara Statement on Film Dispute With U.S.

*OW1406005896 (Internet) Japanese Ministry of International Trade and Industry WWW in English
14 Jun 96*

[from the "Special Issues" link]

[FBIS Transcribed Text] Statement by Minister of International Trade and Industry Shunpei Tsukahara

June, 14 1996

(1) On June 13, 1996, the United States Government announced its decision to request consultations with the Government of Japan under the WTO rules regarding

the issues which Kodak raised in its petition under Section 301 concerning the Japanese photographic film and paper markets. At the same time, the United States Government announced that it is asking Kodak to provide information for submission to the Japanese Fair Trade Commission (JFTC) regarding allegedly anticompetitive practices in this sector.

(2) The Government of Japan has been conveying its position to the United States Government that, since the essence of Kodak's claims are covered by the Anti Monopoly Act (AMA), it is most appropriate for Kodak to file its complaints with the JFTC and to settle this issue under the AMA. The JFTC is currently conducting, independent of Kodak's Section 301 petition, a survey on transactions between firms covering consumer photographic film and paper. We expect that the JFTC's survey would lead to the constructive resolution of this issue.

(3) The U.S. Government's decision to seek resolution of this issue in accordance with the WTO rules can be regarded as a constructive step. Japan will act in accordance with the WTO rules, although it is necessary to carefully examine the specific U.S. requests to determine what actions should be taken. However, we note here that the United States Government seriously misunderstands the structure of and practices in the Japanese photographic product markets, we are confident that these misunderstandings can be resolved through the WTO rules. We also welcome the United States Government's decision to ask Kodak to submit its allegations to the JFTC.

(4) On the other hand, it is quite regrettable that the United States Government has come to a unilateral decision based on the Section 301 procedure, which is inconsistent with the spirit of the WTO, that certain Japanese practices are unreasonable. We also stress that Section 301 procedure should not be resorted to in the future.

Japan: Tsukahara Welcomes U.S. Decision To Take Film Case to WTO

OW1406033896 Tokyo KYODO in English
0144 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — International Trade and Industry Minister Shumpei Tsukahara on Friday [14 June] welcomed the United States' filing of a complaint with the World Trade Organization (WTO) over the Japanese photographic film and paper market.

"The U.S. understands our position calling for discussing the matter openly in an official environment,"

Tsukahara said at a news conference. "We expect to have solid discussions on an array of issues there."

Washington lodged the complaint with the Geneva-based World Trade Watchdog Thursday, claiming "unreasonable" anti competitive practices that impede foreign access to the Japanese market.

Tsukahara refuted the claim, saying the Japanese film market is very open. Upcoming discussion at the WTO will help eliminate such beliefs, he said.

Tsukahara also rejected a U.S. claim that Japan's large-scale retail stores law is blocking foreign access to the Japanese market by restricting the opening of supermarkets, a major carrier of foreign photographic film.

"An increase in large-scale retail outlets does not necessarily boost sales (of foreign film)," Tsukahara said, showing a chart indicating that there is no correlation between the two factors.

"(The U.S. action) is very significant for us because we will now be able to rectify misunderstandings at the WTO, an official organization," he said.

The U.S. move represents a turnaround from its insistence on holding bilateral governmental film talks with Japan under threats of possible trade sanctions based on the section 301 provision of the 1974 U.S. trade law.

The office of the U.S. Trade Representative (USTR) launched a yearlong 301 probe last July into eastman Kodak Co.'s petition that Fuji Photo Film Co. and the Japanese Government are collaborating to block foreign access through anticompetitive practices.

Japan has refused to hold bilateral talks, saying there are no government-erected barriers in the market and that it will not accept any actions under the threat of 301 actions.

It has also argued that Kodak should file a complaint with the Japanese fair trade commission if it finds competitive problems in the Japanese market.

In announcing it took the film issue to the WTO on Thursday, the USTR also urged Kodak to provide information for submission to the FTC and encouraged the major U.S. film maker to file an antitrust complaint in Japan.

Tsukahara hailed this move, saying, "(filing a case with the FTC) is what we have been asking for and I believe this is developing in a very good way."

Chief Cabinet secretary Seiroku Kajiyama, the top government spokesman, positively appraised the suit,

saying the action shows the U.S. side's intention to follow WTO rules.

Japan will also follow WTO rules, Kajiyama told a press conference on Friday, adding that Tokyo will later decide after consideration whether to file a counter suit against the U.S. with the world body.

Tokyo To Rebut U.S. Complaint to WTO in Film Market Case

*OW1406123196 Tokyo KYODO in English
1143 GMT 14 Jun 96*

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan will rebut a U.S. complaint to the World Trade Organization (WTO) that it is unfairly denying foreign companies access to the Japanese photographic film market, a Foreign Ministry Spokesman said Friday.

"We are going to make our assertion at the WTO" in line with the global trade watchdog's dispute-solving procedures, spokesman Hiroshi Hashimoto told a news conference, commenting on Washington's decision Thursday to refer the bilateral film trade row to the WTO.

The United States claims that Japan's film trade practices, including the distribution network controlled by Fuji Photo Film Co., hamper access of foreign competitors to the Japanese market and violate the WTO General Agreement on Service and Trade.

Eastman Kodak Co. of the U.S. filed a petition with the U.S. Government in May last year asking it to investigate Japanese trade practices, saying they are limiting market access for its products.

Japan: Diet Approves Mutual Military Goods Supply Pact With U.S.

*OW1406071296 Tokyo KYODO in English
0647 GMT 14 Jun 96*

[FBIS Transcribed Text] Tokyo, June 14 KYODO — A Japan-U.S. agreement on mutual supply of military goods and services won Diet approval Friday [14 June], setting the stage for enhanced bilateral security cooperation in the post-cold war era.

The Acquisition and Cross-Servicing Agreement (ACSA), signed in April, will formally take effect in mid-October, or 120 days after the approval is notified to the U.S. Government.

The accord covers 15 items Japan would offer the U.S. military in the course of joint training, such as food, water, fuel, clothing, spare parts and components, transportation, repair and maintenance.

It is limited to peacetime joint exercises, U.N. peace-keeping operations and international humanitarian relief activities, but does not cover emergency situations.

Even so, Prime Minister Ryutaro Hashimoto said earlier this month that the ACSA is applicable to joint training in case of military conflict or other emergencies in the Far East.

The United States has signed similar agreements with 19 other nations and two organizations, but most of these cover mutual supply of goods and services in the event of emergencies.

It is likely Tokyo and Washington will look into the possibility of creating a crisis version of the agreement as they work to review bilateral defense guidelines.

Japan: Okinawa Governor Ota Leaves for U.S. Meeting With Perry

*OW1406084996 Tokyo KYODO in English
0820 GMT 14 Jun 96*

[FBIS Transcribed Text] Naha, Japan, June 14 KYODO — Okinawa Gov. Masahide Ota left for Washington on Friday [14 June] to meet U.S. Government officials, including Secretary of Defense William Perry, in a bid to persuade them to relinquish U.S. bases in the southwestern Japanese island prefecture.

During his meeting with Perry on Monday, Ota will explain the Okinawa Prefectural Government's wish to have all U.S. bases removed from the prefecture within 20 years, prefectural government officials said.

He will also outline residents' opposition to a proposal to relocate a U.S. military heliport from the Futenma Air Base to another part of the prefecture as part of a plan for the return to Okinawan control of land now occupied by the base, a key facility of the U.S. Marines.

During his stay in the United States, Ota will also meet former U.S. Ambassador to Japan Mike Mansfield and Nathaniel Thayer, a professor at Johns Hopkins University's school of advanced international studies, who is promoting the establishment of an international research institute in Okinawa, the officials said.

Ota is due to return home June 20.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa, although the island prefecture makes up only 0.6 percent of Japan's total land area.

Under an agreement reached in April between Tokyo and Washington, U.S. military forces will vacate some 20 percent of the land they now occupy in Okinawa.

Japan: Diplomat Views U.S. Ties After Clinton Visit*OW1406104596 Tokyo GAIKO FORUM in Japanese**Jun 96 pp 7-14*

[Article by Takakazu Kuriyama, former Japanese Ambassador to the United States, and incumbent advisor to the Foreign Ministry: "Total Picture of U.S.-Japan Relationship"; rewrite of speech made on 18 April 1996]

[FBIS Translated Text] President Clinton recently visited Japan (16-18 April), and a U.S.-Japan summit meeting was held. Also a "Message to the People of Both Countries, Japan and the United States," and a "Joint Declaration on United States - Japan Security" were announced. I would like to review the background of how this summit meeting came about.

The April summit meeting was, in fact, initially planned to be held on the occasion of President Clinton's visit to Japan to attend the APEC Conference, which took place in November 1995. However, the summit was postponed because the White House and U.S. Congress had a confrontation over the U.S. budget. Originally, the idea of linking the APEC Osaka conference and a U.S.-Japan summit conference came about when the APEC leadership conference was held in Bogor in Indonesia in the fall of 1994, and a decision was made to hold the next APEC leadership meeting in Osaka. Both the United States and Japan had agreed to that idea, but the problem was how to characterize President Clinton's Japan visit.

"Drifting U.S.-Japanese Relationship"

The fall of 1994 was the time immediately following the period of terrible entanglement resulting from the economic framework talks. In February of that year, then Prime Minister Hosokawa was scheduled to go to Washington D.C. However, in the fields of medical equipment and electronic communications, the framework talks negotiations on government procurement were running into trouble. Thus, then Foreign Minister Hata and United States Trade Representative [USTR] Kantor conducted all-night negotiations, which were not successful, however. Six months later, at the end of September 1994, MITI Minister Hashimoto and Foreign Minister Kono again held all-night negotiations, and the talks were finally concluded. The fact that the negotiations were concluded was good, but to achieve that, both the United States and Japan spent enormous amounts of time and effort. The focus of the mass media in both countries was also solely on the Framework Talks, and they gave the impression to the people of both countries that economic issues were the only factors in the U.S.-Japan relationship.

One of the reasons the negotiations were so troubled was that mutual distrust had increased. When Prime Minister Hosokawa arrived in February, and the negotiations did not succeed at that time, it was reported that the Japanese prime minister, for the first time, had told an American President "no." It was not the first time "no" had been said, but it was reported as if it were a great event. Some commented that it was, in a sense, a manifestation of the fact that the U.S.-Japanese relationship had matured. However, I did not think so. I think that we had to say "no" because we distrusted each other.

That is to say, the United States had been distrustful of the non-transparent Japanese market system, which could in the end be interpreted as closed. That notion had been built up as the result of many years of trade negotiations and had developed into the U.S. demand for numerical targets or managed trade. On the other hand, Japan distrusted the United States because of its protectionism, a trade policy called unilateralism. Japan had come to distrust the American attitude that, whenever Japan came up with any figures, the U.S. side insisted on them, as if Japan had made a commitment and, when it was not realized, they threatened Japan with sanctions such as those of "Super 301." Due to this mutual distrust, it turned out that we had to spend many months negotiating issues that could have been solved in a much shorter time. That was why I did not believe our relationship had matured. Instead, I think that the U.S.-Japanese relationship exacted an enormously high price — mutual mistrust.

As I look at it from another angle, the United States is for a variety of reasons becoming increasingly inward-looking. Japan has also been in the situation of not being able to shed its inward-looking tendencies because of unsolved domestic political problems, the prolonged recession, the Great Hanshin-Awaji Earthquake, the Aum Shinrikyo problems, and so on. But the U.S.-Japan relationship had entered into the new post-Cold War era, heading for the 21st century. The year 1995 was exactly the 50th year since the Second World War ended. I had some misgivings and was not necessarily optimistic that discussions concerning this 50th year, which would take place both in the United States and Japan, would be positive ones for the U.S.-Japanese relationship.

By the fall of 1994, I felt strongly that I wanted to make 1995 a significant 50th post-war anniversary year — the occasion to reconstruct a well-balanced new U.S.-Japanese relationship. Moreover, I wanted to reexamine the U.S.-Japan relationship before the presidential visit in the fall of 1995 and publicize the results both in Japan and outside.

Responsible American leaders say that the U.S.-Japan relationship is the most important bilateral relationship in the world. Japan has also been saying that the U.S.-Japan relationship is the foundation of Japanese foreign relations, even in the coalition government era. However, these days it is not necessarily clear why it is so important or why it is the foundation of Japan's foreign relations. In that sense too, it was necessary to review the U.S.-Japanese relationship. I felt that we had to verify why the U.S.-Japan relationship was the most important bilateral relationship in the world, to have the Japanese people understand that recognition, and to gain their support for it.

The international political and economic environment surrounding Japan had changed greatly from before. The Cold War was over, and the simple political diagram called East-West confrontation had changed to a more complicated and difficult to understand political situation. Given this, the environment was ripe in Japan for disputes to emerge on why the security treaty is necessary in the post-Cold War era. Also in the United States, when the Cold War ended and the country was liberated from external threats, a widespread psychology developed among the general population that focused on domestic problems, and people were too tired to continue to be concerned about external issues. As a result, the naive question emerged about why thousands of American soldiers had to be stationed in Europe and in Asia.

As for economics, along with a great technological revolution, monetary and product liberalization have gone forward, and the world economy is becoming more and more globalized. Domestic economies, which have been affected by this, are also changing. Under such circumstances, only competition (moreover, its negative aspect) is highlighted in the U.S.-Japanese economic relationship, which [in fact] contains two aspects, cooperation and competition. To describe this situation, I used the expression "the U.S.-Japanese relationship is drifting." That was because I felt that a sense of purpose and direction was being lost between the United States and Japan. I had hoped that the summit meeting, held in the fall of 1995 in Tokyo, would mull over the new U.S.-Japan relationship in the changed international environment, break loose from the "drifting U.S.-Japan relationship," and set a course toward the 21st century.

When then Prime Minister Murayama came to visit the United States in January 1995, I had a scenario in mind for us to review the U.S.-Japan relationship over a one-year period from this standpoint and awareness and announce the results in Tokyo. I talked with the

American side about my plan, and they basically agreed to the idea.

Security Is a Relationship of Trust

As for the American side, they also reexamined their role in creating friction during the economic framework talks as well as the general tension in the U.S.-Japan economic relationship. The feeling emerged that a correction was necessary. Especially the staff of the Defense Department, which is in charge of security issues, and the NSC (National Security Council) in the White House started wondering if placing too much weight on economics in the U.S.-Japan relationship would cause an imbalance between the two countries and have a negative influence. Both the Japanese side and the American side were saying that, however much we quarrel on trade issues, we should not let this confrontation spread into other areas. That was, in other words, because they were conscious that friction in the economic sphere could spread to other areas.

In the phase of the latter half of 1994, the United States and Japan disagreed on the government procurement issue. As a result, the entire picture of the U.S.-Japan relationship was been distorted. Particularly the security relationship, which was crucially important in this relationship, had the potential for damage, because the security relationship depends fundamentally upon a relationship of mutual trust. Mistrust in the trade sphere could influence the mutual trust between the United States and Japan, which is the foundation of security. The U.S. side also worried a good deal about this effect.

That was because, in the first half of 1994, suspicion about nuclear weapons development in North Korea (the Democratic People's Republic of Korea) had surfaced as a very important issue. There was a period in which it appeared that sanctions would be imposed if North Korea did not give up its nuclear development plans and did not completely accept inspection by the International Atomic Energy Agency [IAEA]. However, it would have been rather difficult for the United States to obtain the agreement of other permanent members of the UN Security Council [UNSC] to impose sanctions. Chinese intentions, in particular, were not clear. Thus, the U.S. would have had to give up on the idea of a UNSC resolution and impose sanctions outside of the UN framework. The question then arose of what Japan would do in such case. Also, it would be fine, if North Korea gave up its nuclear development because of sanctions; but, on the other hand, it could be backed into a corner and accidentally erupt. If that were to happen, how would Japan and South Korea respond? The United States at times seriously mulled over those issues. In

that sense, U.S.-Japan security issues were also very important for U.S. foreign relations.

Thus, from the latter half of 1994, the United States and Japan decided to reexamine security issues and to search for a new U.S.-Japan security relationship in post-Cold War Asia and in the Asian-Pacific area. Hence, the so-called security dialogue began between the United States and Japan. The person who took the initiative was then Assistant Secretary of Defense Joseph Nye. He was one of a group of persons knowledgeable on Japan who specialized on U.S. foreign policy toward Japan and Asia. He carried out the initial groundwork in the U.S. Government and then began the security dialogue with Japan.

It was very important to shed light on security issues, to discuss how the United States and Japan should view the post-Cold War era, to make the results clear to the people of the both countries, and to obtain their support and understanding. However, at the same time, I felt that, just as economics was not the only element in the U.S.-Japanese relationship, neither was security.

When we considered building a new U.S.-Japan relationship, we had to think not only of security but also about a comprehensive U.S.-Japan relationship, which included economics. We had to deliberate on what we must do in order to create a relationship that was well-balanced and suitable to the new era in this totally comprehensive arrangement. I said this to the American side and to officials in Tokyo as well.

Since there was about 10 months between Prime Minister Murayama's U.S. visit and the President's Japan visit in November, we talked in detail about what the scenario should be.

Three Unexpected Incidents

However, beginning in January and February 1995, unexpected incidents occurred. One was that the automobile and auto parts issue became more complicated than I had expected. It had become confrontational. On the one hand, the United States announced that it would levy a 100 percent duty; and, on the other hand, Japan said that it would appeal to the WTO (World Trade Organization). It was not the way it should be, in that economics alone was dominating the U.S.-Japan relationship, but the auto friction alone had become the U.S.-Japan relationship. However, through the efforts of both governments, the issue was resolved by the end of June, and I was relieved.

Second was the very unfortunate incident of the rape case perpetrated by Marine Corps personnel stationed to the U.S. Forces Japan in Okinawa. When this problem arose, the U.S. side understood that, unless they took

it seriously and handled it properly, it would develop into a grave problem, and not just for the Okinawans. It could become an emotional issue for the Japanese as a whole, and the entire security structure could be at the stake. So, from the Secretary of Defense on down, the Americans considered the issue to be very important and responded swiftly in handing over the American military suspects.

I think that we can give a positive evaluation to the fact that they responded with a great sense of crisis. This was because this was not simply a matter of criminal process, but would inevitably develop into a issue concerning the bases. They were aware that they and the Japanese would have to deal with it along with base consolidation and reduction.

In that process, the role played by Assistant Secretary Nye was significant, but Secretary of Defense Perry also played a large role. He had participated in the battle of Okinawa as an American soldier in 1945 and had witnessed terrible scenes in Okinawa at that time. It left a vivid impression on him. Forty years later, before he became the Secretary of Defense, he revisited Okinawa and saw first hand an Okinawa which continued to have problems. I personally wonder if the United States would have responded so earnestly and so swiftly on Okinawa without a man like him.

As for the base issues, the United States and Japan were to work together. For that purpose, a special action committee was formed. It began to reexamine the bases on Okinawa and primarily to discuss to what extent base consolidation and reduction was possible. On the one hand, consolidation and reduction of the Okinawa bases was an issue the U.S. side had to decide, but over half of it was a Japanese domestic issue.

For example, in order to respond to the strong demands of the Okinawan people to halt live-firing exercises across a highway, another location had to be found to carry out those exercises. Consequently, we would have to bring the U.S. Marine Corps to an available area in an exercise ground in mainland Japan that the Japanese Self Defense Forces were using.

But the local population there would be quick to oppose this move. The same would be the case with the transfer of airplanes — the locality to which they would be moved would always oppose it. Unless we could deal with these issues, base consolidation and reduction could not be accomplished based on U.S. decisions alone.

The special action committee was created to deal with what the United States and Japan together could and must do to reduce the burden of the Okinawan

people. This originated from an unexpected and very unfortunate incident, but this was a serious issue that was inherent in the security treaty or security structure, and something had to be done sooner or later. So it was a positive outcome that we decided to do so on this occasion.

The final unexpected development was the President's postponing his visit to Japan. I was uneasy. During the period his visit was postponed, anything could happen. The environment for his visit to Japan could change due to political or economic reasons in either the United States or Japan or could be affected by the global situation. In particular, this was to be a U.S. presidential election year, and there was no telling what the political trend would be in Japan either. The design that we created as a scenario for the reconstruction of the U.S.-Japanese relationship could go out the window. The outcome, however, was that his visit was postponed for only five months and ended in success.

Common Agenda and Youth Exchange

For the construction of a comprehensive picture of the U.S.-Japan relationship, we selected four pillars.

One was economic issues. Naturally, the economic issues between the two countries could not be avoided. So the remaining big issues had to be solved before the visit. The biggest problem at that time was the automobile issue. To make the November APEC conference in Osaka successful, we needed to come up with some concrete blueprint on how to proceed toward the goal of free trade by 2010 to 2020, which had been established at the Bogor Conference. I thought that, if this went well, it would make it easy for the Japanese people to understand how important U.S.-Japanese economic cooperation would be for the Asian-Pacific economy and the Japanese economy.

The second pillar was to conclude the security dialogue I mentioned earlier. It was agreed that the results were to be published in a written document. That was the "U.S.-Japan Joint Security Declaration—Alliance Toward the 21st Century," which was promulgated on 17 April.

Third, I am going back a little, during the Miyazawa government when we started holding the economic framework talks, which replaced the structural initiative, we needed to have positive pillars both in the United States and in Japan. Thus, a program for a "common agenda," which was to deal with issues having a so-called global dimension, was proposed. The U.S. side initially was suspicious and was passive, wondering if the purpose was to lower the relative importance of market access. However, from Prime Minister Miyazawa on down, the Japanese side strongly insisted, and the

Americans changed their thinking. That was 1993. The "common agenda," as one of the pillars of the agreement of the Framework Talks, created joint initiatives in 14 fields. For example, the population issue in developing countries, global environment problems, counter-measures for AIDS, and so on.

The "common agenda" started with 14 fields, but today it has increased to 20 fields; and, at this meeting, another six fields were added. Although the number has increased, not many people know that, unfortunately. Through media reports, I want to publicize the fact that the United States and Japan do not just fight over trade; they also do things together that are useful for international society. However, this is not easy. It may be due to the unwelcome tendency, both in the United States and in Japan, to jump on bad news. Good news is not often reported. I want the media to rise above this tendency somehow and to convey the fact that the U.S.-Japanese relationship is not only for their mutual benefit but also makes a global contribution. In that connection, we should seek to have enterprises and other private sector organizations, including NGOs, participate in the "common agenda," and we should also consider having Europeans and APEC members join.

Finally, the fourth pillar is the U.S.-Japanese youth exchange. Ambassador Mondale and I had talked it over, and this emerged as one of the pillars for this presidential visit. While I was serving in the United States as ambassador, this was a topic I made a pitch for every time I gave a speech in various places and also when I talked to members of Congress. Responsible American leaders say, "the United States is an Atlantic Ocean-oriented country, but, at the same time, we must be a Pacific Ocean-oriented country. That is a necessary condition for the United States to play a global role." However, I think that the United States only becomes interested in Asia during wars; namely, the Second World War, the Korean Crisis, and the Vietnam War. When the war is over and peace returns, it loses interest in Asia and becomes Atlantic Ocean-oriented again. Now that Asia has developed to such an extent, the United States has finally come to realize the importance of Asia. However, even as it realizes this, the number of people who know Asia, including Japan, is really limited.

After former Vice President Mondale was appointed ambassador to Japan, I talked to him about the U.S.-Japanese relationship. At that time, the conversation touched on the subject of students studying abroad. I told him that there were about 40 thousand Japanese undergraduate and graduate students studying in the United States, but there were only 1,500 to 1,600 American students studying in Japan. Between the

United States and Europe, there were about 50 to 60 thousand exchange students, but only about 4,000 American students were studying in all of Asia. The Ambassador was really shocked by these figures and has talked about students studying abroad on various occasions since then. The United States is suffering a fiscal deficit; and, because of the effort to reduce the deficit, it is hard to provide a budget for cultural exchange and student exchange, but there is a good possibility of mobilizing private funds. The Japanese side also realized the importance of this issue. The Ministry of Education, as of 1995, has increased the budget for students abroad. Although it is on the scale of several hundred a year, it is working to increase the number of American students.

Combining all these factors, I tried to create a comprehensive picture of the new U.S.-Japanese relationship. I insisted that, just as the economy was not the only element for the U.S.-Japan relationship, the security treaty was not the all there was to the U.S.-Japanese relationship either, although it was important. A comprehensive picture was important for the U.S.-Japanese relationship, and, in that sense, it was necessary to create a document that would explain to the Japanese people the current U.S.-Japanese relationship as well as a comprehensive U.S.-Japanese relationship for the future. The result was the "Message to the American and Japanese People," which was announced at the most recent U.S.-Japan summit meeting. I feel this message turned out to be a very good one. Reading it, I think one would understand very well the breadth and the depth of the U.S.-Japanese relationship and would gain some understanding of how the two countries wished to cooperate in the future.

The security relationship is important, but the relationship of the U.S.-Japanese alliance, the so-called partnership, is extensive and has many pillars. The people of both countries must understand that and should not be swayed by the disputes, confrontations, and differences of opinion that occur from time to time on individual issues. We must understand that the importance of the U.S.-Japanese relationship goes far beyond those things.

Japan: Hashimoto To Accept Opinions on G-7 Summit on Internet

OW1406074596 Tokyo KYODO in English
0730 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Prime Minister Ryutaro Hashimoto will accept suggestions about his participation in the June 27-29 summit of the group of seven (g-7) industrialized nations in Lyons, France, through the Internet, the cabinet public relations office said Friday [14 June].

E-mail written in Japanese or English, which can also give recommendations to the prime minister on diplomatic affairs besides the summit, will be accepted between June 15 and 24 in his Japanese-version "Kantei" (Premier's Official Residence) home page.

Hashimoto will read some of the mail after they are screened by his staff.

"We hope he will know what the people, mainly the Japanese people, are hoping for (concerning his summit participation)," a spokeswoman said.

Leaders from the G-7 — Britain, Canada, France, Germany, Italy, Japan and the United States — will discuss a broad range of economic and political affairs in the summit.

Japan: Officials Preview Lyons G-7 Special Session

OW1406134996 Tokyo KYODO in English
1317 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Russian President Boris Yeltsin will join a special session to be introduced by the Group of Seven (G-7) nations as part of their annual economic summit in Lyons, France, on June 27-29, Japanese officials said Friday [14 June].

The newly set session will deal with environmental, nuclear safety and other global issues which should be discussed beyond the boundaries of politics and economics, the officials said.

The G-7 industrialized countries are Britain, Canada, France, Germany, Italy, Japan and the United States.

After the summit, the G-7 leaders and Yeltsin will hold a separate meeting with the heads of four international organizations — the United Nations, the International Monetary Fund, the World Bank and the World Trade Organization, the officials said.

Since 1994, the G-7 nations have invited Yeltsin to attend discussions on political matters at their annual economic summit. Russia, however, has not been invited to join the G-7 economic debate.

The G-7 nations think it is too early to admit Russia to their debate on monetary and other economic issues, but agreed on the need to provide a place to spotlight Yeltsin, who is fighting a head-to-head battle with Communist Party leader Gennadiy Zyuganov in the Russian presidential race, analysts said.

According to Japanese officials, the G-7 leaders will start their summit meeting in Lyons with a working dinner June 27.

On the morning of June 28, they will discuss employment, trade and other economic issues and adopt an economic declaration in the afternoon.

In the evening of June 28, the G-7 leaders will hold a special session on global issues, which will be joined by Yeltsin.

The three-day summit will end on the morning of June 29 after the G-7 leaders and Yeltsin discuss political issues, mainly regional problems such as peace initiatives in the Middle East.

At the end of the summit, French President Jacques Chirac, who chairs the summit, will issue a statement summing up the political debate and meet the press.

The G-7 leaders and Yeltsin will then meet with heads of the U.N. and three other institutions over luncheon to exchange views on reforms of international organizations.

The Japanese officials said Prime Minister Ryutaro Hashimoto will leave Tokyo on the morning of June 25 and arrive in Lyons in the evening of that day.

Shortly before the summit meeting, Hashimoto is expected to hold talks separately with Chirac and U.S. President Bill Clinton, the officials said.

Hashimoto is scheduled to return home July 1, they said.

Tokyo Plans To Host International Employment Conference

*OW1206092496 Tokyo KYODO in English
0837 GMT 12 Jun 96*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — The government plans to host an international meeting of experts on employment to take the initiative in dealing with the problem afflicting industrialized countries, government sources said Wednesday [12 June].

The plan will be announced by Prime Minister Ryutaro Hashimoto at the seven-nation summit he will attend in Lyons, France, June 27-29, the sources said.

Labor and other cabinet ministers from Britain, Canada, France, Germany, Italy, Japan and the United States got together in 1994 and 1995 in the U.S. and France to discuss job problems following the 1993 Tokyo summit's endorsement of the initiative by U.S. President Bill Clinton.

The two ministerial meetings took up relevant macroeconomic and employment problems, according to a senior Labor Ministry official. However, industrialized countries continue to face employment problems, with

unemployment in Germany, for example, remaining high at 10.0 percent in May.

The ministry believes dealing with unemployment requires a more substantial approach, the official said.

Working-level officials of the seven nations are nearing agreement to replace the ministerial conference with a meeting of experts.

The Lyons summit is expected to agree to Japan's hosting the expert meeting, as the ministerial conferences were held in the U.S. and Europe, the sources said.

They also said the meeting may be held in Kobe in fall 1997.

Tokyo Decides To Supply DPRK Emergency Food Aid Via UN

*OW1406010996 Tokyo KYODO in English
0004 GMT 14 Jun 96*

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan decided Friday [14 June] to supply \$6 million in emergency food aid to North Korea via the United Nations, government officials said.

The decision on the emergency humanitarian measure came in response to a recent U.N. appeal for \$43.6 million to stave off a severe food shortage in North Korea.

The money will include \$3.1 million for food for those affected by flooding that destroyed crops in the summer of 1995 and \$2.15 million for infant food, both sums going to the World Food Program, the officials said.

A further \$750,000 will also be offered to the U.N. Children's fund and the World Health Organization for North Korea, they said.

Tokyo provided \$500,000 to Pyongyang last year in response to a similar UN call for aid.

Japan has been cautious about bilateral economic assistance to North Korea before the conclusion of negotiations to normalize ties, but thinks it must help the country for humanitarian reasons.

South Korea said earlier this week it will supply \$3 million worth of food assistance to North Korea, apparently signaling a softening of its policy toward its isolationist neighbor.

The United States announced Wednesday it will provide \$6.2 million for the UN effort to ease the plight of North Korea.

**Japan: Hashimoto, Kim To Discuss Sex Slaves,
World Cup**

OW1406120396 Tokyo KYODO in English
1129 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Prime Minister Ryutaro Hashimoto told a labor leader Friday [14 June] that he and south Korean president Kim Yong-sam will discuss the issue of Asian women forced into sexual slavery for Japanese troops when they meet June 23 in South Korea's Cheju Island.

In a meeting with Jinnosuke Ashida, leader of the Japanese Trade Union Confederation (Rengo), Hashimoto said, "I should discuss the issue with president Kim Yong-sam in some way or other."

The prime minister reiterated that he will write a letter of apology to the women, euphemistically called "comfort women" in Japan, when a government-initiated private Japanese fund provides some of them with at least 2 million yen each, possibly beginning this summer.

Participants quoted Hashimoto as saying he does not want to make the issue into a debate between the two governments over compensation, which Tokyo says has been resolved, and that he will be careful to see that his letter will not be of help to the women in their lawsuits demanding redress from the Japanese Government.

Historians estimate some 100,000-200,000 Asian women, mainly from the Korean peninsula then under Japanese colonial rule, were sent to front-line brothels for Japanese troops before and during World War II.

Earlier in the day, Hashimoto told a cabinet meeting that he and Kim will also take up the two countries' co-hosting of the 2002 soccer World Cup.

Chief Cabinet Secretary Seiroku Kajiyama, the top government spokesman, told a press conference that Hashimoto and Kim are likely to pledge to cooperate with each other in hosting the event.

Hashimoto told cabinet ministers, "We don't have specific matters of concern this time. I hope to have the meeting in a frank atmosphere."

Seoul invited Hashimoto some time ago but the prime minister was not able to make a visit because of the ongoing 150-day Diet session ending June 19, officials said.

Hashimoto commented in support of Thursday's report by South Korea's YONHAP news agency that he and Kim will try to avoid discussing politically delicate issues, such as a bilateral territorial row, in their upcoming summit.

"Why do we have to pick at a scab? We cannot concede on territorial issues. But do we have to begin everything from that point? Do the two countries have nothing else to discuss?" Hashimoto told reporters Friday afternoon.

"We should discuss the future while acknowledging the existence of such problems but without touching on them," he said.

YONHAP quoted a South Korean Government source as saying the summit will instead focus on the World Cup co-hosting, proposed four-way talks on peace on the Korean peninsula and the issue of food aid to North Korea.

Delicate bilateral issues, such as a territorial dispute over islets in the Sea of Japan and the forming of a joint research group on bilateral history, which was agreed to last year, will be discussed by foreign ministers, the report said.

Japanese Foreign Minister Yukihiko Ikeda and South Korean Foreign Minister Kong No-myong will hold talks before the summit, it said.

Ties between Tokyo and Seoul were strained this spring due to the territorial row over the islets called Takeshima in Japan and Tokto in South Korea.

Hashimoto and Kim last met in Bangkok on March 2 when they were in the Thai capital to attend the first Asia-Europe summit.

Tokyo Weighs Funding PRC Three Gorges Dam Project

OW1406054396 Tokyo KYODO in English
0517 GMT 14 Jun 96

[By Mutsuo Fukushima]

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan is leaning toward giving export credits and trade insurance to help build China's gigantic Three Gorges dam, though it was dismayed by a recent U.S. Export-Import Bank decision to reject dam-related loans for U.S. companies.

However, such funding enthusiasm has drawn some flak from China watchers for placing excessive emphasis on commercial interests in disregard of the dam's expected negative ramifications on security, human rights and the ecology.

Later this month, China is expected to unveil the terms of international bidding for 14 of 26 turbine generators for the world's largest dam — 185 meters high and 2.3 kilometers wide — which will add 85 billion kilowatt-hours a year to China's total power output.

At least five consortia from eight countries are vying to garner a larger chunk of the 30 billion dollar project. China plans to award 16 percent of projected total outlay to foreign suppliers, according to the Japan External Trade Organization (JETRO).

The seven-company Japanese alliance, including Hitachi Ltd. and Toshiba Corp., is facing competition from the camp of Caterpillar Inc., Voith Hydro and other U.S. companies, Canadian General Electric (GEC), and Siemens Ag of Germany.

Other consortia are the group of Alstom of France and ABB of Switzerland, a Norwegian group led by Kvaerner Industries and a Russian camp, including Imze and Lectrosia, JETRO said.

A senior official at the long-term export insurance division in Japan's International Trade and Industry Ministry (MITI) said, "as Japanese companies appear keen to join into bidding in the Three Gorges dam project, our ministry will have to consider providing trade insurance" to help their exports.

"Although the U.S. Export-import bank decided may 30 to turn down export-credits for the dam, the bank said it would rethink the stance if it can receive information (that can alleviate its ecological concerns)," he said.

He was referring to a statement by Ex-Im Bank President Martin Kamarck that the bank "might reconsider support for the project" if China Three Gorges Project Corp. provides it with data on "mitigation" of the environmental issues involved in this project.

Kamarck also cited concern about 1.3 million people who will be displaced by the project, its impact on the water quality of the Yangtze river, protection of endangered species and protection of historic and cultural resources as reasons for rejecting financing.

The dam will create a 640-km reservoir stretching from the dam, 40 km west of Yichang, Hubei province, to Chongqing in Sichuan. It is estimated that it will submerge 219 square kilometers of farmland and 69 sq. km of forest.

But an Export-Import Bank of Japan spokesman said, "the decision by the U.S. export-import bank has not led us to feel that it has become difficult to provide export credits for the project," he said.

Both government and industry officials question China's readiness to repay export credits for equipment Japanese suppliers will export.

To alleviate such concern in a similar Chinese project, the Ex-Im bank official said the bank is now considering providing 42 billion yen worth of buyers' credits for the power project in Zhuhai, Guangdong province, adjacent

to Macao, to help Mitsubishi Heavy Industries Ltd. and Mitsubishi Corp. sell 70 billion yen worth of generators.

MITI officials said the ministry has decided to award 300 million dollars in trade insurance to make up for the gap between the Ex-Im bank loan sum and the generators' total value.

As for the Three Gorges project, Suet Kojima, director of the China-north Asia section of Jetro's overseas research department, said whether China can build it by its target year of 2009 depends on Beijing's ability to attract money from cash-heavy foreign private financial institutions, rather than official financiers with fiscal constraints.

A source close to the Japanese consortium said the project does not look lucrative as it concerns hydroelectric technology — rather nuclear or coal-fired power projects using much more expensive equipment and technology — and because China appears intent on spreading orders among many bidders.

What matters most to bidders, however, is that participation in this high-profile project would help establish close business ties with Chinese authorities, with an eye to profiting from a series of upcoming big projects, the source said.

"The Chinese have been teasing us with apparently lucrative projects such as a bullet train project and a subway project," he said.

Kenji Eda, associate professor at Kyoto sangyo university, an expert on Chinese politics and history, said, "because of the attractiveness of the Chinese market Japan will probably extend loans for the dam," despite its concerns about rows between China and the U.S. on security, human rights and trade.

"Japanese financing is likely to come in view of the fact that Japan loaned more than a trillion yen in official loans to China in the past and that Japan says it is ready to continue providing yen loans despite a series of China's nuclear explosions tests," Eda said.

Mineo Nakajima, president of the Tokyo university of foreign studies, an authority on Chinese politics, said building such a mammoth dam and evicting more than a million people may cause security problems even for other countries, by eroding the stability of Chinese society, which is already shaken by a high crime rate and income disparities.

Japan: Automakers Concerned About Indonesia Ties, WTO Lawsuit

OW1406055796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Jun 96 Morning Edition p 3

[FBIS Translated Text] The Japanese Government has decided on a policy to bring a case against Indonesia to the WTO [World Trade Organization]. However, it does not necessarily mean that a consensus has been reached on taking this hardline approach within the government and by various automakers. Indonesia is a friendly nation and one of the few nations with a promising market. Their real intention is to avoid, if possible, intensified friction, which may be caused by the instituting of a case.

Indonesia, which has abundant resources such as crude oil and timber, is a very significant importing country for Japan. Overall, it ranks the first among the nations to which Japan provides funds based on its Official Development Assistance (ODA). The major concern is that the friendly relations may be broken by Japan's instituting of a case. The Ministry of International Trade and Industry [MITI] maintains that "the action will not involve the aid policy." In this way, MITI stressed its intention to separate the action from bilateral relations.

The government has clearly stated its stance on respecting the regulations of the multinational WTO. However, it is taking a cautious approach, noting that "if we do not deal with violations of the WTO rule severely, the United States will complain that 'Japan is linked with its friendly Asian nations under the surface'," (as stated by a senior official).

A senior official of the Japan Automobile Manufacturers Association, Inc. (with Yoshifumi Tsuji as president) asserted that "we should be coherent in promoting free trade." Meanwhile, individual companies have decided on "taking a wait-and-see attitude."

With a high ratio of private vehicle production, Toyota Motor Corporation has started reducing its production since last April. However, since Nissan Motor Co., Ltd., Mitsubishi Motors Corporation, and other automakers are engaged mainly in manufacturing commercial cars, they are not in direct competition with the production of national cars in Indonesia. Therefore, those companies reportedly indicate that "there is only a slight influence at present."

Japan: Economic Planning Agency Report Notes 'Sign of Recovery'

OW1406004896 Tokyo KYODO in English 2340 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan's economy is showing more signs of recovery with small and midsize firms enjoying speedier year-on-year growth in pretax profits, the Economic Planning Agency (EPA) said Friday [14 June] in its monthly report.

The agency said the nation's economic recovery entered its fifth consecutive month in June, backed mainly by rebounding private consumption, housing construction and capital outlays, it said.

The agency detected evidence of the rebounding profitability of small and midsize firms in the bank of Japan's "tankan" business sentiment survey for May, which found that the combined pretax profits of these firms grew 10.4 percent in the latter six-month half of fiscal 1995 ended March 31, from the corresponding six-month period a year ago, it said.

But there remain some worrisome signs that require monitoring, such as dwindling exports of computer memory chips and its possible negative ramifications on capital outlays in semiconductor and other industries, it cautioned.

"The economy is moving toward recovery, albeit mild," according to the agency's monthly assessment of the national economy.

And it warned, "tough conditions continue to plague the employment situation, although there have emerged symptoms of improvements in some sectors. This requires our attention."

A senior EPA analyst in charge of compiling the report said, "the economy has remained on a recovery track for the fifth consecutive month since February, but we should not reach a hasty conclusion on whether this recovery is sustainable."

Some worrying trends have emerged, including flagging exports of 16-megabit dynamic random access memory chips and a slowdown in public works project starts, he said.

The government will closely watch whether chipmakers continue with last year's high levels of capital outlays in microchip-related facilities, he said.

"Judging from the fact that the semiconductor industry continued to stimulate the economy last year, we need to monitor (the direction of the industry) for the time being," he said.

Semiconductor production accounts for about three percent of Japan's manufacturing and mining output in terms of value, he noted.

As regards encouraging signs, he noted that inflation-adjusted household spending rose an average 3.3 percent in the January-March quarter and sales at department stores across Japan rose 4.4 percent on a quarter-to-quarter basis in the same three-month period.

He also noted that new automobile sales increased 4.3 percent in May from a year earlier and 6.7 percent from the previous month, both on a preliminary statistic basis.

But he cautioned that starts on public works projects — a driving force behind the economy — dropped 3.8 percent in April from a year before in a major turnaround from a 26.5 percent year-on-year rise in March and a 55.1 percent rise in February.

Turning to the employment situation, he said unemployment increased 210,000 in April from a year before, partly because firms remained cautious in recruiting fresh graduates.

As for the export slump described in the June report, he noted that exports fell 4.7 percent in quantity terms in April from a year ago, mainly because exports of microchips and auto parts declined as a result of the chip price plunge.

Japan's export performance has not much benefited from the weaker yen at least in terms of quantity, as Japanese carmakers have boosted local content ratios for vehicles made overseas and are continuing to move production offshore, he added.

Japan: BOJ Governor: Policy Aims at 'Self-Sustained Recovery'

*OW1406075996 Tokyo KYODO in English
0739 GMT 14 Jun 96*

[FBIS Transcribed Text] Tokyo, June 14 KYODO — The Bank of Japan (BOJ) will maintain its present easy monetary policy for the time being to consolidate the groundwork of the economic recovery, BOJ Governor Yasuo Matsushita said Friday [14 June].

"At present, it is still important to make sure that the nation's economy will steadily get on a path of self-sustained recovery from now on," Matsushita said in a speech at the Japan National Press Club.

Matsushita reiterated the BOJ's assessment that the economy is recovering moderately and said factors encouraging a self-sustained recovery are increasing, with signs of improvement detected in corporate capital investment and consumer spending.

He noted, however, that certain factors need to be carefully monitored, such as structural adjustment pressure on the economy and a deteriorating demand-supply situation in semiconductors.

"For the time being, we will carefully watch economic and financial developments under the current policies," Matsushita said.

Of the current record low level of the official discount rate of 0.5 percent per annum, Matsushita said, "It has not been an obstacle to dealings in the market. (Favorable) effects of the low interest rate are gradually emerging."

The central bank will decide on a change of its monetary stance by weighing the present state and future course of the entire economy, not by simply responding to individual economic statistics and passing phenomena, he said.

Matsushita said he regrets the very severe conditions for people dependent on interest income, but the low interest rate will spur economic activities at large, eventually benefiting the whole nation.

"It is an unavoidable step for the present," he said of the low interest rate policy.

Turning to a report presented Thursday by a ruling coalition task force calling for a sweeping revision of the BOJ Law, Matsushita said the central bank will positively take part in transparent and fair discussions on the proposed revision in a bid to strengthen its independence.

Asked if the central bank will participate in additional contributions to the government's scheme to liquidate failed "jusen" housing loan companies, Matsushita said it is too early to talk about the BOJ's attitude because details have yet to be decided on a proposal to create a new fund for the liquidation scheme.

The Finance Ministry is seeking additional burdens from financial institutions involved in the "jusen" problem in a form of a new fund to make up for the 685 billion yen in taxpayers' money allocated in the national budget for the liquidation scheme.

The banking industry is reportedly seeking participation of the BOJ in the proposed fund as a condition for the banks joining in.

Japan: Kubo: Government Faces 'Tight Financial Situation'

*OW1306132696 Tokyo KYODO in English
1259 GMT 13 Jun 96*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Finance Minister Wataru Kubo said Thursday [13 June]

the government will continue to face a tight financial situation in fiscal 1997 despite measures to increase tax revenues.

The government will be forced to compile an extremely tight budget for fiscal 1997 even if the consumption tax is raised to 5 percent from the current 3 percent in the year and special tax cuts are discontinued in fiscal 1996 through next March, said Kubo during a session of the Audit Committee of the House of Representatives, or the lower house of the Diet.

Kubo also said his advisory panel, the Fiscal System Council, will clarify targets of fiscal rehabilitation, roles of fiscal policy and other important issues before compilation of the fiscal 1997 budget.

Japan: TSE Suspends Sumitomo Following Loss Reports

OW1406005396 Tokyo KYODO in English
0034 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — The Tokyo Stock Exchange (TSE) on Friday [14 June] suspended trading of Sumitomo Corp. shares, following news reports of its huge unauthorized copper trading losses, the exchange said.

It has been reported that Sumitomo has suffered a 1.8 billion dollar loss from copper trading. Until the news is confirmed, the TSE has decided to suspend trading of Sumitomo stock, a TSE official said.

The exchange also said transactions of Sumitomo's nos. 2, 3 and 4 unsecured convertible bonds (CBS) were suspended. Orders which have already been placed for the three CBS were to be canceled.

The TSE official said Sumitomo is planning to hold press conferences about the reported losses at both the TSE and the Japan external trade organization starting from 11 AM.

Japan: MITI Chief 'Surprised' by \$1.8 Billion Sumitomo Loss

OW1406041096 Tokyo KYODO in English
0305 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — International Trade and Industry Minister Shumpei Tsukahara on Friday [14 June] said he was surprised to learn that a U.S. subsidiary of Sumitomo Corp. incurred \$1.8 billion in losses on unauthorized copper trading.

"I have just received a report this morning," Tsukahara said at a news conference after a cabinet meeting.

While noting that at present he thinks the case does not directly fall in the Ministry of International Trade and

Industry (MITI)'s jurisdiction, Tsukahara indicated that the ministry will examine the case in detail.

The company, Sumitomo Corp. of America, said the huge loss was run up over a period of 10 years by Yasuo Hamanaka, then head of copper trading at the company's nonferrous metal division, and a trader who resigned eight years ago.

Japanese, U.S. and British regulators are now investigating into the case.

Japan: Coalition Panel Remains Divided on MOF Reform

OW1306160096 Tokyo KYODO in English
1409 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 13 KYODO — A ruling coalition task force on the reform of the Ministry of Finance (MOF) proposed Thursday [13 June] granting more independence to the Bank of Japan (BOJ) but skirted an explicit answer to the controversial issue of how to devise directions of organizational reform of the ministry.

In a revised report on ways to forge a new financial policy, the task force said the BOJ law should be revised totally with the task to be entrusted by a third-party organ to ensure fairness and transparency.

At present, the governor of the BOJ, for example, is subject to dismissal by the government, while there is no provision or law to justify the BOJ's key activities such as inspection and special loans to ailing companies.

The report proposed these BOJ functions be explicitly stipulated in the BOJ Law, task force officials said.

But the report was vague on a proposed separation between the nation's fiscal and monetary policies, the idea that would lead to the breakup of the Finance Ministry where almost all financial and monetary functions are concentrated.

On this point the fresh report called for the government to "pursue economic policy while recognizing independence of monetary and fiscal policies."

The description can be taken to indicate the need for some part of the Finance Ministry to be separated from the entire body.

The proposal on the MOF reform came amid strong criticism against it over its handling of bad loan problems at the "jusen" housing loan companies.

The report also proposed a further study on the separation of the Finance Ministry's inspecting and supervising functions against financial institutions from the ministry.

The new suggestions were put forward on the basis of the June 4 report on MOF reform by the task force, which has lost its teeth because the Liberal Democratic Party, the biggest force in the ruling coalition, is reluctant to proceed with organizational reforms of the ministry.

In the discussion leading up to Thursday's report, LDP members are said to have strongly opposed separation of the inspection function from the ministry.

Members from the two other coalition parties — the Social Democratic Party and new Party Sakigake — said the separation is necessary to prevent the ministry's administration and inspection of financial affairs from developing cozy ties again.

Speaking before reporters Thursday, Shigeru Ito, the head of the task force, said, financial administration will change under the new proposal. It will inevitably become a slim body by creating rules and devoting itself to playing the role of umpiring.

Ito, a member of the Social Democratic Party, said a specific blueprint for the proposed reform will be drawn up after debatable points are clarified.

Key members of the three ruling coalition parties accepted the report, which will be submitted to prime minister Ryutaro Hashimoto on Friday, task force members said.

Based on the report, the tripartite coalition plans to finalize proposals to reform the MOF by the end of September with a view to submitting bills to revise related laws, including the BOJ Law, to the next ordinary Diet session, coalition sources said.

Vice Finance Minister Tadashi Ogawa sounded negative on the separation of the fiscal and financial functions of the ministry, saying it is important to keep them under the roof of one finance minister.

Ogawa also said at a press conference, "I absolutely do not agree with the opinion that securing transparency and separation of the convoy system have yet to be dealt with."

The convoy system refers to certain methods of administration whereby the MOF sees to it that bigger financial institutions move in pace with the weakest, just as ships in a convoy move at the same speed. The system is meant to ensure the survival of all such institutions.

A senior BOJ official welcomed the proposal for enhancing the BOJ's independence, saying, "this marks a step forward toward the revision of the law to enhance our independence from the administration and politicians."

Among other proposals in the report was the reviewing of supervising measures against nonbank moneylenders and public financing such as postal savings and the government's fiscal investment and loan program.

Kenji Mizutani, president of Tokai Research and Consulting Inc., was cautious about the breakup of the MOF, which he said could lead to enlargement of the administration.

"The point of the reform is to proceed with liberalization to make financial institutions fulfill their responsibility, not to strengthen regulations such as stricter inspection and supervision," Mizutani said.

Mizutani said the BOJ should be equipped with absolute responsibility and authority for monetary policies when revising the BOJ Law.

He opposed a plan to study measures to supervise nonbank financing companies, saying, "it goes against financial liberalization and the seeking of thorough responsibility."

Japan: Hashimoto Urges Reorganization of Government Offices

OW1306143096 Tokyo NIHON KEIZAI SHIMBUN 13 Jun 96 Morning Edition p 1

[FBIS Translated Text] On 12 June, the government disclosed a final draft of the policy plan (Prime Minister Ryutaro Hashimoto's administrative reform vision), which the prime minister hopes to present during the next general election. The reform plan stresses that "to keep Japan vital" in an aging society, the government should establish an administrative system under which the private sector's energy can be fully utilized, while avoiding expansion of government functions. For the first time, the plan calls for drawing up a mid-term program for reconstruction of the government's finances to restrain an increase in the national burden rate. At the same time, it proposes setting a goal to restrict the peak of the national burden rate to 45 percent. The plan also proposes curbing private firms' social security contributions and reorganizing and streamlining government ministries and agencies, transferring certain administrative functions out of Tokyo to other areas.

The draft plan is titled "Hashimoto's Administrative Reform Program Outline." It was worked out by the Liberal Democratic Party's (LDP) Administrative Reform Promotion Headquarters (headed by Kiyoshi Mizuno) at the prime minister's request. The LDP will discuss the draft plan at a general council meeting and disclose it on 18 June.

The draft plan notes that "the nation is faced with many serious problems," including an aging population,

massive fiscal deficits, and lingering ill effects from the bubble economy. It then urges the "creation of an administrative system which enables Japan to maintain its vigor even in an aging society."

Currently, the national burden rate, or quota for the national burden on tax and premium of social security, stands at about 37 percent. It is certain that the ratio will greatly increase toward 2015, when the aged population peaks. The draft plan says the rate should be limited to 45 percent at the most.

It stresses that to curb the burden rate, it is imperative to review and streamline government functions so that the government will be able to deal with rapidly expanding social security service in the aging society. Considering that outstanding national debts will amount to an estimated 240 trillion yen by the end of the current fiscal year, the plan calls for drawing up a mid-term program for reconstruction of the government's finances.

It also notes the need to set numerical targets for financial reconstruction that can be modified depending on changes in macroeconomic indexes, such as the ratio of fiscal deficits to gross domestic product (GDP).

Other proposals included in the draft plan are: 1) allocation of enough funds for science and technology promotion programs; 2) introduction of a formula for hiring government officials, including diplomats, all together and then assigning them to ministries and agencies, unlike the current system, in which each department hires employees; and 3) reorganization of government ministries and agencies for transferring capital functions.

Japan: Kajiyama Notes 'Decline in Moral Standards Among Japanese'

OW1406035096 Tokyo KYODO in English
0245 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — The top government spokesman Friday [14 June] lamented over a decline in moral standards among Japanese, commenting on huge losses by Sumitomo Corp. of America due to unauthorized copper trade by the U.S. subsidiary's employee.

"The moral fiber of all Japanese has deteriorated and they have become desensitized toward money," Chief Cabinet secretary Seiroku Kajiyama said, referring to Daiwa bank's involvement with illegal trading of U.S. securities at its New York branch, a bad loan scandal at seven "jusen" housing loan companies and the Sumitomo case.

"I cannot but express deep concern that such tendencies have become widespread," the politician told a press conference.

Sumitomo Corp. of America announced overnight that it has discovered unreported losses totaling \$1.8 billion, about 196 billion yen, caused by unauthorized trading over a 10-year period by Yasuo Yamanaka, the then head of its copper trading at the nonferrous metal division.

Japan: Farm Minister Confirms Plan for New 'Jusen' Fund Plan

OW1406042296 Tokyo KYODO in English
0327 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Farm Minister Ichizo Ohara confirmed Friday [14 June] he has been formally notified by the finance ministry of a plan to establish a new fund to help dismantle failed "jusen" housing loan companies.

Ohara, minister of agriculture, forestry and fisheries, told a news conference the plan calls for financial institutions to contribute to the fund to make a profit by operating it on portfolios such as national bonds.

The scale of the fund and whether credit federations of agricultural cooperatives will join it have not been decided yet, he said.

Ohara, however, added that the credit federations have made it known that it would be hard for them to contribute to the new fund.

He said the issue involving interest payments in arrears by the seven moribund jusen companies to the credit federations has yet to be settled.

Japan: Business Group Urges Government To End 'Managed Markets'

OW1406093896 Tokyo KYODO in English
0915 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — The head of a business group urged the government on Friday [14 June] to let the Japanese business community freely compete with foreign rivals by putting an end to practices of "managed markets" protected by government regulations.

Jiro Ushio, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), said in an interview with KYODO news, "Japanese corporate managers need to summon the courage to take up the challenge of free markets by bidding farewell to managed markets protected by government curbs on foreign competitors' access.

Japan "should open up its markets to the world and adjust its rules to make them compatible with those of the international community," he said.

Ushio rapped the government for glossing over the need to drastically reform Japanese society "by merely fine-tuning" official regulations and business practices when there are signs that private-sector efforts led by central economic planning by the bureaucracy no longer work.

The government is trying to ignore the hard reality that the decades-long labor-management practices of the seniority system and lifetime employment, as well as official assistance centering on economic planning by the bureaucracy "have started crumbling," he said.

Ushio said his group will put in a planned "action program" report concrete proposals to the government on how to replace the government-controlled market with free markets where greater emphasis would be placed on competition and private-sector initiatives.

"Corporate managers should not avoid competition (with rival firms)," he said.

"At the moment they feel it is more comfortable just to follow administrative guidance, the market loses its vigor," he cautioned.

Ushio urged the ruling coalition to call a general election as quickly as possible to get a "public judgment" on issues confronting the nation after the coalition and opposition clearly define their policy differences on such issues as market-opening, fiscal reform and security.

The government now has to choose between two major options of fiscal action — adopting a "small government" approach to slash unnecessary fiscal spending or a "big government" stance centering on financing large-scale pump-priming public works projects with a further hike in the consumption tax rate.

His business group prefers to have the government slash public works outlays, while continuing special income tax cuts to continue providing stimulus to private consumption, Ushio said.

"Keizai Doyukai essentially calls for boosting private-sector demand and implementing privatization of public corporations more thoroughly," he said.

"Politicians should explicitly say how they are going to straighten out the state's deficit-ridden finances," he said.

Ushio said the ruling Liberal Democratic Party and the main opposition party Shinshinto (New Frontier Party) should re-examine their boundaries with each other to allow

legislators to form new parties in accordance with their respective views on the fiscal reform problem.

Otherwise, he added, they should allow legislators to cross party lines and freely vote on this issue by removing intra-party obligations to cast ballots in accordance with a unified party stance.

Japan: Hashimoto on Need To Maintain Publication Resale System

OW1406083996 Tokyo YOMIURI SHIMBUN in Japanese 14 Jun 96 Morning Edition p 2

[FBIS Translated Text] At the 62d regular plenary session of the Japan Newspaper Association held on 12 June, Prime Minister Ryutaro Hashimoto delivered a speech commenting on the publications resale price maintenance system (resale system). Saying it was his private opinion, the prime minister said he was in favor of keeping the system. Since this issue is being studied within the government, it is of great significance that the prime minister referred to the need to maintain it.

It seems the prime minister referred to his 12 June comment as his "private" view because of his concern that the government is still studying the issue. Meanwhile, the Fair Trade Commission (FTC) and the government's administrative reform committee are studying the possibility of reviewing the system with a view to easing regulations. However, the Ministry of Education and Agency of Cultural Affairs insist, from the cultural viewpoint, on the need to maintain the system. There is a gap between the views of the FTC and the reform committee. Although the former says it should be "abolished in principle," the latter claims that they should "continue to study the issue."

Against this in the background the prime minister tried to explain his private support for the resale system, saying: "No matter where you are, you can get information at the same price across the nation, (thanks to the resale system)." It can be said this comment was made in the strongest terms possible by an incumbent prime minister. It is clear he pointed the way for future discussions and we can say the prime minister showed his concern about discussions at the FTC and other organizations, which are trying to review the system while still maintaining economic principles. In fact, the prime minister explained his opinion in similar terms at a cabinet meeting in December 1995 when he was international trade and industry minister. He clarified his view that the resale system is a safe regulation that is needed to securing the people's right to know, rather than seeing it as an economic regulation subject to deregulation as a result of the Japan-U.S. structural talks.

Kiyoshi Mizuno, chief of the Liberal Democratic Party's headquarters for the promotion of administrative reform, which supports the prime minister's eye-catching "Hashimoto administrative reform" policy, repeatedly stressed that the resale system protects democracy. For this and other reasons, we can conclude that the prime minister's true intention on the resale issue is to support maintenance of it. In this sense, it seems the comment made on 12 June will have a certain impact on the future course of discussions within the government.

Japan: White Paper Says Tokyo Lags Behind West in Telecom Field

OW1406041296 Tokyo KYODO in English
0320 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan lags behind other industrial countries, particularly the United States, in the telecommunications and information field, and needs government financial support and public-private sector cooperation to catch up, a government white paper said Friday [14 June].

The global telecommunications and information environment is developing rapidly with an estimated 9.47 million host computers hooked up to the internet worldwide computer network as of January this year, according to the paper compiled by the Posts and Telecommunications Ministry.

Japan has 269,000 host computers connected to the internet, placing it sixth in the world. The U.S. has 20 times that figure, with 6,055,000 host computers, the paper noted.

Japan has 60 percent fewer links to the internet than Germany or Britain, according to the annual paper submitted to a cabinet meeting Friday by Posts and Telecommunications Minister Ichiro Hino.

Japan also lags behind the U.S. in use of advanced communication tools such as personal computers and mobile phones, the paper said.

The proportion of Japanese homes and offices possessing personal computers was only one-fifth of that in the U.S. as of 1993, and the penetration of mobile phones was only one-third of the U.S. figure in 1994, the paper said.

It said the global telecommunication and information situation is changing rapidly, with the U.S. swiftly readying legislation for a more competitive telecommunications market, and Asia-Pacific countries like Singapore and Malaysia aggressively arming themselves with advanced communication systems.

Japan: U.S. Media Firm To Launch Digital Satellite Service

OW1206070996 Tokyo KYODO in English
0434 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — The international media conglomerate News Corp. will launch a digital satellite broadcasting service in Japan in two years, the company's chairman said Wednesday [12 June].

Rupert Murdoch, chairman and chief executive officer of the company, unveiled plans for a Japanese-language multichannel service, tentatively dubbed "J Sky B," at a press conference in Tokyo.

The company will ask the publicly funded Japan Broadcasting Corp. (NHK) and commercial broadcasters to take part in the new business, said Murdoch, an Australian-born media baron.

Murdoch, a naturalized U.S. citizen, said the company has yet to decide which satellite it will use.

News Corp. runs press and broadcast businesses all over the world and also operates Asia's largest international satellite broadcast service, Star TV, based in Hong Kong.

In April, the company launched a Japanese version of the service called Star Plus.

The company also publishes the British daily THE TIMES and has a controlling interest in Twentieth Century Fox Film of the United States.

Japan: MPT, European Space Agency Plan To Develop Satellite

OW1406112696 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 14 Jun 96 Morning Edition p 1

[FBIS Translated Text] The Ministry of Posts and Telecommunications [MPT] plans to join hands with the European Space Agency (ESA), to which the U.K., France, and Germany belong, to develop a next-generation communications satellite capable of transmitting huge amounts of data. The new satellite, called the "gigabit-class satellite," can send audio or visual signals 10 times or more faster than conventional communications satellites. Researchers hope to launch an experimental model in 2002 and make it practical for commercial use in 2005. The move can be considered a joint effort by Japan and European countries to compete with the United States in the field of communications satellite development, which has so far proceeded under U.S. initiative. The move may possibly lead to accelerating international tie-ups in other satellite-related areas.

Among Japanese communications satellites, the latest "N-STAR" satellite is capable of transmitting 156 megabits of data per second. In comparison, the planned gigabit satellite will have a transmission capacity of 1.2 gigabits (approximately 1,200 megabits) while remaining in geostationary orbit. It will have the capacity to transmit data at a rate equivalent to approximately 20,000 telephone lines.

The new satellite can be utilized should fiber optical networks break down during earthquakes or other disasters. In addition, the satellite can be used to communicate with developing countries where communication networks are lacking or insufficient, and in the transmission of global, wide-ranging data such as the transmission and receipt of information related to the global environment.

Japan lags considerably behind the United States in satellite development. The United States, which already has 600-megabit satellites in use, is preparing to embark on the development of gigabit satellites. As a result, Japan is in danger of being left completely behind in this area, too. Industrialized nations have positioned satellite utilization as the most important task in the fostering of communications industries.

Japan: Education Ministry Announces Funding for 'Futuristic' Research

OW1206141296 Tokyo KYODO in English
1339 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — The Ministry of Education [MOE] on Wednesday [12 June] announced 17 new areas of scientific activity in which it will actively seek to stimulate futuristic pioneering research projects from the current 1996 fiscal year ending next March.

Ministry officials said the 17 areas include eight in the science and engineering sphere, six in the life sciences and three in the multidisciplinary sphere.

The science and engineering field includes projects related to next-generation artificial substances and multimedia, the life sciences include projects relating to the mapping of human genes and understanding the faculties of the brain, and the multidisciplinary sphere includes the development of artificial organs compatible with the human body, the officials said.

Unlike the standard approach to research grants which are given at the request of university and other researchers, the ministry will distribute funds via the Japan Society for the Promotion of Science, whose project committee will decide on the research themes and project participants, they said.

The budget for the current fiscal year is 11 billion yen, while the period covered by the projects is in principle five years, they said.

The projects are designed to stimulate the development of entirely new enterprises for the solution to problems on a global scale as well as encourage a new generation of scientists, the officials said.

Japan: Editorial: No 'Futenma Effect' Observed in Okinawa Election

OW1206132496 Tokyo MAINICHI SHIMBUN
in Japanese 11 Jun 96 Morning Edition p 5

[Editorial: "No 'Futenma Effect' Observed"]

[FBIS Translated Text] At the Okinawa prefectural assembly election, the ruling reformist camp supporting Okinawa Governor Masahide Ota won a majority and overturned the ruling-opposition balance. The biggest factor contributing to this change was the Liberal Democratic Party's [LDP] losing six seat from the previous election.

Stressing "the results" of the complete return of Marine Corps Air Station [MCAS] Futenma realized under leadership of the Prime Minister Ryutaro Hashimoto, the LDP, which is an opposition party in this prefecture, hoped for what they called "Futenma effect."

However, since most of the LDP's return plans require relocation of existing facilities to other areas, the party met opposition from the locals who say "it is just passing around the bases on the island." It eventually created an adverse effect on the LDP.

Since the rape of a schoolgirl by U.S. servicemen last fall, calls for reorganization and reduction of the U.S. bases and a drastic review of the Japan-U.S. Status of Forces Agreement [SOFA] have intensified on Okinawa.

In line with this trend, Governor Ota assumed an "opposition" stance against both Japanese and U.S. governments and the U.S. forces stationed in Japan. For example, he refused to undertake proxy signing of U.S. forces' compulsory land lease contracts.

At the summit last April, Japan and the United States agreed on the need to obtain the Okinawan people's understanding on maintaining the presence of the U.S. forces on the island. The two countries formulated an interim report on base retrenchment including MCAS Futenma.

The Prefectural Assembly election was the first chance for the government to seek the judgment of the Okinawan people about its base plans.

The election results indicate that the Okinawan people not only approved the governor's opposition line regarding the U.S. base problem, but also pronounced a tough verdict on the central government's base cuts plans.

However, when we take a close look at the results, it cannot be said that the Ota prefectural administration won an overwhelming majority because some of independent politicians, who take similar stance to the ruling parties, have not clarified their position after the election. Among those ruling parties, the Social Democratic Party whose leadership in Tokyo was criticized for changing a policy to firmly maintain the security treaty lost some seats. Since differences between the ruling and opposition parties were not clearly demonstrated, the voter turnout marked the record low.

Governor Ota said: "I do not have strong feelings that the tables are turned because the ruling and opposition parties won almost same number of seats. I think that as the return of the bases is beginning to materialize, anxiety has surfaced for how to use the returned land, how to ensure employment, and how to think of compensation issue." It can be said that the election results reflect Okinawans' complicated feelings toward the base problems.

Still, this does not mean that we can diminish the significance of the fact that ruling parties for the first time won a majority since the birth of the Ota administration in 1990.

Among other issues concerning the U.S. bases are the compulsory use of the military land plots whose lease contract will expire next May (12 facilities leased by approximately 3,000 landowners), and the enactment of "special legislation" to swiftly approve the compulsory use of these facilities.

Furthermore, Okinawa has been making a move toward enacting a bill for holding referendum to ask the locals' view on the base reorganization and reduction and the SOFA review. Its discussion is now in the final stage.

The Japanese and the U.S. governments intend to work out a final report on base reorganization and reduction in November through debate at the Special Action Committee on Okinawa (SACO). The two governments must take the election results seriously and reformulate concrete base cuts plans that can obtain Okinawans' consent.

Bearing in mind that the current plan is criticized as "passing of the bases around on the island," we believe that various possibilities should be taken up for discussion — for example, the relocation of the communication unit to Guam as reported somewhere.

Japan: Hatoyama To Launch New Party With 5-10 Members

*OW1306124096 Tokyo KYODO in English
1228 GMT 13 Jun 96*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Yukio Hatoyama, chief secretary of New Party Sakigake, expressed hope Thursday [13 June] that he would launch a new political party initially with five to 10 members.

Hatoyama made the statement during a TBS radio program.

Hatoyama, one of Japan's most popular politicians, has said he hopes to set up a new party ahead of the next general election.

New Party Sakigake is a member of the ruling coalition with Prime Minister Ryutaro Hashimoto's Liberal Democratic Party and the Social Democratic Party.

Hajime Funada of the largest opposition party Shinshinto (New Frontier Party) has hinted at joining the proposed new party.

Critics such as former Prime Minister Yasuhiro Nakasone call Hatoyama's new party scheme "soft ice cream."

Japan: Table of Parliamentary Strength

*OW1106143896 Tokyo KYODO in English
0817 GMT 11 Jun 96*

[FBIS Transcribed Text] Tokyo, June 11 KYODO — The following is a table of parliamentary strength in both houses of the Diet after the departure Tuesday [11 June] of House of Representatives member Shokei Arai from Shinshinto (New Frontier Party).

Arai left the leading opposition party to become an independent after voting in favor of the government's package of bills to liquidate moribund housing loan companies during voting last Friday in the lower house.

House of Representatives	House of Councillors
Ruling Coalition	
LDP 206	LDP 110
SDP 63	SDP 36
New Party Sakigake 23	New Party Sakigake 3
Opposition	
Shinshinto 168	Heisei Kai 68
JCP 15	JCP 14
Citizens Action	Shin Ryokufu Kai 5
League-Democratic	Sangiin Forum 4
Reform Party 8	Niin Club 4
New Socialist	New Socialist Party 3
Party-Alliance	Independents League 2
For Peace 2	Independents 3
Liberal League 2	
Independents 7	
Vacancies 17	
Total 511	252

Note: LDP stands for the Liberal Democratic Party, SDP the Social Democratic Party, and JCP the Japanese Communist Party.

North Korea

DPRK Daily Criticizes Kim Yong-sam Group for 'Smear Campaign'

SK1406083596 Pyongyang KCNA in English
0828 GMT 14 Jun 96

["S. Korean Puppets Urged To Behave Themselves" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The Kim Yong-sam group of South Korea are still spreading a groundless rumor about "provocations by the North."

Describing their senseless act as foolish, MINJU CHO-SON today says that the warmongers should ponder over the consequences to be entailed by their rash act and behave themselves.

They are alleging that since the North took self-defensive measures concerning the status of the Demilitarized Zone along the Military Demarcation Line, it has increased "military tension," the daily says in a commentary, and continues:

It is the Kim Yong-sam group that have reinforced Armed Forces and staged war gambles day and night in South Korea against the North in a bid to carry out the anti-North war plan dubbed "five-stage 5027 operation," which they have worked out with outsiders. It is also the puppets that have deployed huge Armed Forces in forward areas near the Military Demarcation Line and committed grave military provocations, keeping them in readiness to start a war any time with the armistice agreement already destroyed.

Their allegation about "possible provocation of a war by the North" is nothing but a premeditated and deliberate false propaganda aimed at covering up their bellicose nature, rendering the North-South confrontation all the more acute and, in this way, finding a pretext for unleashing a war against the North.

They are hell bent on such a smear campaign at a time when other nations are seeking improvement of bilateral relations with the Democratic People's Republic of Korea. This is illustrative of their sinister intention to keep them from doing so.

No matter how persistently the South Korean bellicose elements may resort to false propaganda against the North, nobody will lend an ear to it.

DPRK: KCNA on Popularity in ROK of Internet North Korean Page

SK1406044396 Pyongyang KCNA in English
0249 GMT 14 Jun 96

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The "North Korean Page" has been inserted in Internet, an international computerized communication network, winning great popularity among South Korean people, a radio report from Seoul said.

The page contains the slogans praising the great leaders President Kim Il-sung and Comrade Kim Chong-il.

Also appearing on display are a portrait of Comrade Kim Chong-il and a slogan "Long live the great Comrade Kim Chong-il!"

Besides, one can see the reality of the DPRK and its people's happy life, reports of the NODONG SINMUN, organ of the Workers' Party of Korea Central Committee, and the Korean Central News Agency, and be informed of the DPRK radio frequencies, it said.

The Kim Yong-sam group are making desperate efforts to check the introduction of the DPRK's reality among South Korean people and students but viewers are radically increasing in number.

DPRK: NODONG SINMUN Delegation Departs on PRC Visit

SK1306092896 *Pyongyang KCNA in English*
0856 GMT 13 Jun 96

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — A delegation of the NODONG SINMUN, organ of the Workers' Party of Korea Central Committee, led by its Deputy Editor-in-Chief Kang Tok-so left here today to visit China.

The delegation was seen off at Pyongyang Railway Station by Deputy Editor-in-Chief of the NODONG SINMUN Choe Yang-ho and Councillor of the Chinese Embassy here Song Masuo.

DPRK: Hwang Chang-yop Meets Visitors From CPC Party School

SK1406100196 *Pyongyang KCNA in English*
0945 GMT 14 Jun 96

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on June 14 met and had a friendly conversation with the delegation of the party school of the Central Committee of the Communist Party of China led by its standing Deputy Director Wang Jialiu.

Present there were Yi Chang-hwa, first vice-president of the Kim Il-song Higher Party School, and Sui Xiudong, charge d'affaires ad interim of the Chinese Embassy in Pyongyang.

DPRK: Vice Premier Chang Chol Meets PRC Power Industry Official

SK1406111596 *Pyongyang KCNA in English*
1035 GMT 14 Jun 96

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — Vice-Premier Chang Chol met and had a friendly talk with the Chinese delegation of the Council of the Korea-China Hydro-Electric Power Company led by Vice-Minister of Power Industry Wang Xicheng at the Mansudae Assembly Hall today.

Present there were Han Kuk-sung, first vice-minister of Electric Power Industry, and Chen Yufa, councillor of the Chinese Embassy here.

DPRK: Radio Reports PRC Statement on 8 Jun Nuclear Test

SK1306143696 *Pyongyang Korean Central Broadcasting Network in Korean*
0600 GMT 13 Jun 96

[FBIS Translated Text] According to XINHUA, the PRC conducted a nuclear test on 8 June. The PRC

Foreign Ministry issued a statement with regard to this which noted the PRC demands the nonproliferation and complete abolition of nuclear weapons and agrees to a thorough prohibition of nuclear tests to realize this goal. The statement stressed that the PRC possesses a limited number of nuclear weapons absolutely for itself, and that they are not a threat to any other country. The statement also noted: The PRC unilaterally and solemnly promises to be under obligation not to initiate using nuclear weapons at any time or under any circumstance, and not to use nuclear weapons against non-nuclear states and denuclearized zones or to threaten them with nuclear weapons.

The statement continued: Huge stores of nuclear weapons, as well as the threat of nuclear war by initiating the use of weapons, still exist in the world today. In this situation, it was inevitable for the PRC to conduct the minimum nuclear tests necessary to protect the supreme interests of the country and nation, and the PRC has invariably exercised its self-control to the utmost in conducting nuclear tests.

According to the statement, the PRC Government has announced that it will conduct another nuclear test before September 1996 to verify the safety of a nuclear weapon, and will freeze its nuclear tests after the nuclear test.

DPRK: Daily Urges Japan's State Apology for 'Comfort Women'

SK1406051696 *Pyongyang KCNA in English*
0346 GMT 14 Jun 96

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The Japanese authorities should admit state responsibility for the criminal case of the "comfort women for the army" and make a state apology and compensation for it, says NODONG SINMUN in a signed commentary today.

The Japanese authorities are now trying to compensate to the former "comfort women for the army" through the medium of what they call "national fund" and the right-wing reactionaries continued utterances denying the history of aggression, the analyst says, and continues:

International community considers that the "comfort women" issue is not a matter that should be settled through "national fund".

The Japanese authorities, however, are insisting on "national fund" formula, while working hard to create an impression that they are striving for the settlement of the issue by clamouring about the prime minister's "letter of apology" and "amount of compensation to be paid".

They believe the "letter" to be considerable, but it is a mistake.

A sincere apology should be made with a guarantee for it.

Their move reminds people of an ostrich policy.

All wrong movements concerning the past crimes in Japan are attributable to the Japanese Government's wrong stand and sinister intention to flee from the responsibility for the war crimes.

Who will trust in such Japan?

The Japanese authorities are lifting a rock only to drop it on their own feet. They will get nothing good from it.

DPRK: Society in Japan Issues 'Chuche Idea' Bulletin

*SK1406092396 Pyongyang KCNA in English
0854 GMT 14 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — Bulletin "Chuche Idea" of the June issue was printed by the National Liaison Council of Japan Society for the Study of Works of Kim Chong-il.

Under the title "Activity for Study of the Chuche Idea With Broader Segments of People" the bulletin carried an account of the 22nd national committee meeting of the Japan Society for the Study of Kimilsongism and a report at the meeting.

It introduced a report of a meeting on the visit of a delegation of Japanese scholars to the DPRK from April 29 to May 4 under the title "Korea, Man-Centred Society".

Noting that the chuche idea is the idea of independence and self-sustenance, the report said that it is the stand of the Democratic People's Republic of Korea to recognize and respect the independence and self-sustenance of other countries on an equal footing with each other and promote co-existence and co-prosperity through economic and cultural interchange.

DPRK: Hong Song-nam Attends Party Given by Russian Ambassador

*SK1306035996 Pyongyang KCNA in English
0338 GMT 13 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — Russian Ambassador to Korea Yuriy Fadeyev gave a party here Wednesday [12 June] on the occasion of the national day of Russia.

Invited to the party were Vice-Premier Hong Song-nam, Chairman of the State External Economic Affairs Commission Yi Song-tae, Secretary General of the

Standing Committee of the Supreme People's Assembly Yi Mong-ho and other officials concerned and foreign diplomatic envoys in Korea.

Speeches were exchanged there.

DPRK: Party Marks Birthday of Cuban Committee for Reunification

*SK1406042696 Pyongyang KCNA in English
0246 GMT 14 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The Korean Committee for Cultural Relations with Foreign Countries and the Korea-Cuba Solidarity Committee arranged a party Thursday [14 June] on the occasion of the 20th anniversary of the Cuban Committee for Supporting Korea's Reunification.

Present at the party were Chairman of the State Education Commission Choe Ki-yong, who is concurrently chairman of the Korea-Cuba Solidarity Committee, Vice-chairperson of the Korean Committee for Cultural Relations with Foreign Countries Chon Yon-ok and other officials concerned.

Cuban Ambassador to Korea Jose Ramon Rodriguez Varona and embassy officials were invited to it.

Speeches were made at the party.

DPRK: Meeting Supporting NDFSK Held in Cuba

*SK1406091096 Pyongyang KCNA in English
0850 GMT 14 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — An international meeting for supporting the struggle of the National Democratic Front of South Korea (NDFSK) and the South Korean people for independence, democracy and reunification was sponsored by the Organization of Afro-Asian Latin American People's Solidarity in Cuba some time ago.

The meeting was attended by representatives of many regional organizations of Latin America, 39 political parties, fronts and organizations of 31 countries including Germany, Spain, the United States and Russia, diplomatic envoys of different countries in Cuba and public figures and pressmen of Cuba.

Members of the mission of the NDFSK in Cuba were invited to the meeting.

Ramon Pez Ferro, secretary general of the Organization of Afro-Asian Latin American People's Solidarity, addressing the meeting, denounced the "civilian"-veiled Kim Yong-sam regime as a traitorous fascist group overshadowing the successive military dictatorial regimes. "If the Kim Yong-sam group is left intact, the

independence and democratization of South Korean society and Korea's reunification cannot be achieved and peace and security in Asia and the rest of the world cannot be expected either," he said.

"Progressive political parties, organizations and peoples over the world should more loudly demand the repeal of the 'National Security Law', the release of all political prisoners and prisoners of conscience, the resignation of Kim Yong-sam in South Korea as well as peace and reunification in the Korean peninsula, and extend positive support and encouragement to the NDFSK and South Korean people in their struggle," he stressed.

The meeting was addressed by chairmen and representatives of different regional organizations, including the chairman of the Latin American continental student organization.

The chief of the mission of the NDFSK in Cuba, Pak Kwang-ki, said the NDFSK and South Korean people will bring earlier the new day of independence, democracy and reunification on any account, holding in high esteem and following the respected General Kim Chong-il.

A resolution, an appeal to South Korean people and a letter to international organizations were adopted at the meeting.

DPRK: Indian Official Urges U.S. To Accept DPRK Peace Proposal

SK1306085196 *Pyongyang KCNA in English*
0847 GMT 13 Jun 96

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — The United States should renounce its anachronistic Korea policy and take a constructive attitude towards Pyongyang's proposal.

B. Mohan, chairman of the people's front of India, demanded it in a statement issued to the press on June 4 three years after the publication of the DPRK-U.S. joint statement.

Recently Pyongyang proposed to Washington to conclude a tentative agreement, Mohan noted, and said: It is a peace initiative to establish at least an institutional device to prevent armed conflict and war in the Korean peninsula in view of the tense situation prevailing in the peninsula.

Now that the Korean armistice agreement has been reduced to a mere scrap of paper which is, in fact, not helpful to keeping peace, the United States should no longer turn aside from the initiative of Pyongyang, which conforms to its interests, he held.

DPRK: KCNA Reports Foreign Support for Peace Proposal

SK1306092796 *Pyongyang KCNA in English*
0849 GMT 13 Jun 96

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — A signature campaign was conducted in Mauritius and Madagascar on May 22 and June 3 in support of the new peace proposal of the Democratic People's Republic of Korea.

Attending the campaign in Mauritius were the president, the first vice-president and the general secretary of the Communist Party, the president, the vice-president and the general secretary of the Communist Youth League, the president and the general secretary of the Women's Committee, and the general secretary of the Union of Experts of the Medical Institute, on behalf of the members of their organizations.

In Madagascar, the signature paper was signed by the chairman of the Trade Union under the Monima Socialist Organization and chairmen of the Socialist Youth and Women Organizations, in the name of their organization members.

DPRK: Foreign Embassy Officials Help Peasants With Farming

SK1306085696 *Pyongyang KCNA in English*
0844 GMT 13 Jun 96

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — Officials of foreign embassies here have been helping peasants on co-op farms of Korea.

Ambassadors, charge d'affaires ad interims and officials of the Chinese, Mongolian, Bulgarian, Iranian, Syrian, Vietnamese and Russian embassies visited the cooperative farms, which have friendly relations with their countries, and helped farmers in their work between May 28 and June 5.

They had deepened the feelings of friendship, playing amusements and talking with farmers at break.

Meanwhile, Chinese students and apprentices and Syrian students studying in Korea, too, helped co-op farmers in their work.

DPRK: NODONG SINMUN on Trial of Chon Tu-hwan, No Tae-u

SK1406042096 *Pyongyang KCNA in English*
0244 GMT 14 Jun 96

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The traitor Kim Yong-sam has been putting Chon Tu-hwan and No Tae-u on what is called trial, but in an

attempt to bury into oblivion the truth behind the May 18, 1980, Kwangju massacre and evade the people's demand for the punishment of all murderers and thus cover up his dirty colors as an accomplice in the slush fund scandal.

NODONG SINMUN stressed it in a signed article Thursday [13 June].

The trial of the masterminds of the December 12 military revolt and the Kwangju massacre has been so far held on some 10 occasions, but the truth—who ordered the massacre and who were missing at that time—has not yet been uncovered, the article noted, and said:

From the beginning, the traitor Kim Yong-sam has prattled a "successful coup" should not be judged, and has tried to save the Kwangju murderers, making a decision "not to allow an appeal to a higher court".

Before detaining No Tae-u, Kim told him, through his associate, that if he kept mum about Kim's involvement in the slush fund scandal he would be safe, and promised to set free him on bail or any other pretext.

Needless to say, it is under Kim's protection that secret letters were exchanged between No and Chon and they are in luxurious cells with a heat system and showers.

The crime of the traitor Kim, who has joined hands with the murderers, is too grave to punish them.

For the traitor Kim judging and punishing the Kwangju murderers mean killing himself.

The traitor Kim Yong-sam had better bring his crime to light, before it is too late, as demanded unanimously by the people, far from trying to gloss over the Kwangju incident and save the murderers through deceptive trial.

DPRK: KPA Soldiers, Builders Work Harder on Kungangsan Station

*SK1406085396 Pyongyang KCNA in English
0823 GMT 14 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — Korean People's Army [KPA] soldiers and builders, who had the honor to welcome the great leader respected Supreme Commander Comrade Kim Chong-il at the construction site of the Kungangsan power station on the coast of the Korean East Sea [Sea of Japan], hardened their determination to complete the first stage project at an early date.

The great leader President Kim Il-song indicated how to build the power station and formed building forces 10 years ago.

The Kungangsan power station will reserve the water of rivers and streams flowing through broad areas of Changdo, Kimhwa, Hoeyang, Kosong and Anbyon counties of Kangwon Province to produce a great deal of electricity.

A meeting to convey thanks of Comrade Kim Chong-il to the soldiers and builders and carry through the tasks given by Comrade Kim Chong-il at the site was held at the construction site on June 12.

The soldiers and builders renewed their determination to complete the construction of the power station at an early date in the militant spirit of a-match-for-a-hundred KPA and heroic mettle of the Korean working class and give a report of loyalty to Comrade Kim Chong-il.

The meeting called for completing the projects including the adjustment of tailrace area for water passage and hastening the assembling of generators and inner and outer projects in the revolutionary spirit of self-reliance and hard struggle to accelerate the first-stage project.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

DPRK: Korean Christians Federation Holds Meeting on Reunification

*SK1406090796 Pyongyang KCNA in English
0845 GMT 14 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The fifth Tokyo meeting of Christians for Korea's Peaceful Reunification and missionary work was held at the Tokyo church of the South Korean Christian Association in Japan, under the subject "Role of Christians for Peace of the Country and Great National Unity", according to a report from Tokyo.

The meeting was cosponsored by the Korean Christians Federation (KCF), the South Korean Christian Association in Japan, the Korean Methodist Church in South Korea and other Christian organizations.

Kang Yong-sop, chairman of the KCF central committee, and other delegates gave lectures at the meeting before a resolution was adopted.

The resolution said national reunification does not mean a unilateral absorption or conquer by any system but means coexistence and coprosperity. In order to reunify the country in such a way, it is imperative for sister churches to continue active cooperation, it stressed.

National reunification should be achieved on the basis of the spirit of independence, peaceful reunification and great national unity, it said. It is necessary for all Christians in the North, South and overseas to continue

having a week for peaceful reunification just before August 15 and hold a joint prayer on Easter day. [sentence as received]

The resolution declared that all Korean churches in the North, South and overseas will wage the movement for peaceful reunification on a consistent and organizational basis.

DPRK: Paper Lauds Kim Il-song, Kim Chong-il's Leadership

SK1406085496 Pyongyang KCNA in English
0834 GMT 14 Jun 96

["Brilliant Guidance in Building Man-Centred Socialism of Korean Style" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 14 (KCNA) — The great leader President Kim Il-song built Korean-style socialism centred on the popular masses, which shines as his undying feat for the times, revolution, the country and the people, says NODONG SINMUN in a signed article today.

The article quotes the great leader Comrade Kim Chong-il as saying:

"The undying feat the great leader Comrade Kim Il-song performed for the people is that he built man-centred socialism of our style."

The article goes on:

The respected Comrade Kim Il-song is a great statesman, who put forward an idea of building man-centred socialism for the first time in history and realised it with success.

Korean-style socialism, which he established through a hard-fought struggle all his life, is the cradle of the Korean people's happiness.

What is important in his undying feat in the building of Korean-style socialism centred on the masses of the people is that he made sure that the popular masses are the genuine masters of society and everything serves them.

Another important thing in his undying feat is that he united the popular masses around the Workers' Party of Korea (WPK) and built up the driving force behind the revolution.

From the first days of his guidance over socialist construction in Korea he paid primary attention to making the popular masses the genuine masters of society.

The WPK has been a true representative of the people that regards the popular masses as its teacher and shapes

line and policies reflecting their will and demand for independence.

He established the most popular political mode so that all the Korean working people take an active part in the exercise of all power and in state management with equal political rights as equal social members.

He wisely led the WPK and the people's power to discharge their mission and play their role with the stand of servants for the people.

Korean-style socialism under which everything of society serves the popular masses is an invincible socialism that is absolutely supported and trusted by the popular masses.

In building Korean-style socialism centred on the popular masses, he regarded as his maxim in life and struggle the truth that if revolutionaries believe in the people and rely on them at all times they shall always emerge victorious; if they are forsaken by them, they will always fail.

He led the revolution and construction to a brilliant victory by setting in motion the revolutionary zeal and inexhaustible creative power of the popular masses.

Man-centred socialism established in Korea is a precious crystal of his noble love for and devoted service to the people.

Korean-style socialism centred on the popular masses built by him all his life is invincible as it is under the great guidance of the respected Comrade Kim Chong-il.

DPRK: Cooperative Farms Accelerate Transplanting, Weeding Work

SK1406100296 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 11 Jun 96

[FBIS Translated Text] Agricultural workers throughout the country who have consistently launched into this year's agricultural production by holding high the red flag of the revolution, are accelerating rice transplanting, which is in its final stage, and are concentrating their strength on fertilizing and cultivating crops, to include weeding of corn fields. Thus, they are achieving good results. Station reporter Kim Tok-sang met Comrade Kim Chin-pae, responsible guiding personnel of the Agriculture Committee.

[Begin recording] [Kim Tok-sang] Recently, cooperative farms throughout the country are vigorously accelerating rice transplanting, which is in its final stage, and are also concentrating on weeding corn fields. It seems that they are achieving good results.

[Kim Chin-pae] Yes, that is so. Currently, cooperative farms throughout the country are accelerating rice transplanting, which is in its final stage, and are concentrating all their strength on fertilizing and cultivating crops, such as weeding fields, tilling, and sowing.

By upholding the party's intention, our Agriculture Committee is working to complete rice transplanting as soon as possible in accordance with the upsurged enthusiasm of the farmers, and it weeded corn fields at the opportune time and in a qualitative way without missing the opportunity. Therefore, the actual results of rice transplanting throughout the country has passed the 90 percent line. Compared with the same period last year, an additional 32,000 chongbo [1 chongbo=2.45 acres] of corn fields have been weeded.

In particular, over the past 10 days, an additional 5,000 chongbo or so of corn fields were being weeded daily when compared to last month. Cooperative farms in South Hwanghae Province, which has the largest area of fields, are weeding this year's corn fields well. They are also achieving results in rice transplanting and are weeding an additional 1,000 chongbo of corn fields daily. Therefore, they have completed 98 percent of the weeding of the overall field areas. Also, they [words indistinct] in its final stage.

Weeding of corn fields is being carried out in a qualitative way in accordance with the demand of the chuche farming method at many cooperative farms in Pyongyang, North Hwanghae Province, Nampo, South Pyongan Province, and Kaesong, thus, many fields are weeded everyday. Through this spirit, we will complete rice transplanting at all cooperative farms as soon as possible and concentrate all strength on weeding so that this year's grain production can be decisively enhanced. [end recording]

DPRK: Daily Urges Acceleration of Rice Transplanting

SK1306150196 *Pyongyang MINJU CHOSON*
in Korean 14 May 96 p 1

[Editorial: "Let Us Accelerate the Rice-Transplanting Battle"]

[FBIS Translated Text] Rice transplanting has begun.

The socialist cooperative farms are brisk with the heightened zeal of the agricultural working people and volunteers who have launched themselves into the rice transplanting battle, fully prepared for the battle and with high confidence, they are pressing forward with high spirits from the outset.

The great leader Comrade Kim Chong-il has noted: We should totally mobilize all our strength so as to complete rice transplanting expeditiously in a timely manner.

To carry out rice transplanting in a timely manner, putting all our strength into it, is the essential requisite to increasing grain production in our country, where rice farming in paddies is a great part of grain farming.

This year rice transplanting is a very important farming battle to bring forth a breakthrough in achieving a decisive upturn in grain production according to the party's intent as set forth in a joint editorial. To successfully carry out the rice transplanting battle is of great significance in crushing the imperialists' economic blockade by thoroughly implementing the party's revolutionary economic strategy according to the great leader Comrade Kim Il-song's behests, solving the food problem more smoothly, and markedly enhancing the people's living standards.

For this reason, our party demands that the entire country launch itself into this battle to complete rice transplanting rapidly and in a timely manner.

Upholding the party's intent, the rural economic sector should carry out the rice transplanting battle speedily and successfully to bring forth a breakthrough to drastically increase this year's grain production.

To highly display the spirit of the "arduous march" is an important key to victory in the rice transplanting battle.

Rice transplanting, in which we have to plant rice seedlings in paddies of vast area within a short period, requires a struggle involving tension much greater than that required to do other kind of farming work, and the continuing abnormal weather presents difficulties in rice transplanting.

Despite this, functionaries of the rural economic sector, agricultural working people, and volunteers should have an invariable faith that they are assured of victory, because the great leader Comrade Kim Chong-il is continuously and wisely leading the entire party membership, the entire country, and all the people toward implementing the party's agriculture-first policy, and because they have the chuche agricultural method that enables them to farm well under any conditions and vigorously carry out the rice transplanting battle, bravely overcoming difficulties with the spirit of the "arduous march." In particular, functionaries of the rural economic sector should stand at the head of the combat rank which is accelerating rice transplanting with the spirit of the "arduous march" fluttering the red flag, and encourage and propel the masses toward innovations, setting examples and showing by practice rather than by precept, and responsibly resolve pending problems expeditiously

based, on their specific grasp of the nature of the problems on the spot.

To complete rice transplanting speedily and in a timely manner, we should properly carry on economic organizational work.

Cooperative farms should prepare a detailed rice transplanting schedule by cultivated field and by paddy so that the rice transplanting may be done at the most suitable time and bring the highest yield of rice crop per chongbo, and they should take thorough measures to implement the schedule without fail.

In the first place, we should supply sufficient labor. There is no farming work more important or urgent in the rural area now than rice transplanting. Cooperative farms should concentrate the labor in the agricultural production sector on rice transplanting, and other sectors should also mobilize as much labor reserves as possible to rice transplanting. At the same time, managerial and primary-level functionaries of the farm should actively participate in the rice transplanting battle.

Whether or not we can push ahead with rice transplanting according to the schedule depends largely on how effectively we utilize the mechanization means.

Cooperative farms should keep farming machines, such as rice-seedling pulling machines and rice transplanting machines, in good order. By enhancing the sense of responsibility and the role of the machine operators, we should ensure that the machines are operated normally, and, in particular, we should keep tractors in full operation so that plowing and harrowing of the paddies may be done before rice transplanting.

We should conduct the economic organizational work aimed at carrying out rice transplanting speedily and in such a way as to enhance cooperative farm members' will to produce. The important thing here is to give priority to political work so as to arouse the farm members' ideological consciousness and make the vitality of the subteam management system [punjo kwallije] highly displayed in the practice of rice transplanting as well. As one of its measures to solidify and develop the subteam management system and enhance the cooperative farm members' will to produce, the party decided that if the subteams produced more than the grain production appraisal plan [algok saengsan pyongkka kyehok], the part of the grain production over the plan is given to the relevant subteams.

In conformity with the principle of the subteam management system, cooperative farms should rationally organize the utilization of labor and farm machines and ensure that subteam members attain innovative success in rice transplanting with a high awareness of respon-

sibility for subteam farming, so that they can provide a firm assurance of overfulfilling the subteam grain production appraisal plan this year.

We should intensify technological guidance so as to thoroughly follow the scientific and technological requirement of the chuche agricultural method in rice transplanting. The important thing here is to adhere precisely to the number of bundles of rice seedlings per pyong and the number of seedlings per bundle.

Agricultural guiding organizations, including the county cooperative farm managerial committee, should decide the number of bundles per pyong and the number of rice seedlings per bundle in conformity with the climate, soil, and species of rice of the relevant farming area, and give guidance effectively so that rice-seedling pulling, harrowing, and operation of the rice transplanting machines can be done properly to help adhere to the number of bundles per pyong and the number of seedlings per bundle. At the same time, they should organize in a timely manner the inspection of the results of the rice transplanting, doing supplementary planting of seedlings for empty space. By so doing, we should ensure that the rice seedlings are planted at an appropriate depth in every cultivated field and patch of paddy according to the designated number of bundles per pyong and the number of seedlings per bundle.

Intensifying the support work for the rural area is an important requisite to successful rice transplanting.

All sectors and units should send as much labor to support rice transplanting as possible, with a correct view and attitude toward the party's agriculture-first policy and from a position befitting masters who share the responsibility for farming. At the same time, the various sectors of the people's economy should produce reserve parts for farm machines mobilized for rice transplanting, such as tractors, rice transplanting machines, and seedling-pulling machines, according to the plan, and supply them with priority. Rural area support volunteers should practically and significantly contribute to the successful rice transplanting battle, taking meals together with agricultural working people, smelling the odor of soil with them, perspiring with them, and pulling rice seedlings, making levees for rice paddies, and planting bundles of rice seedlings with an attitude befitting masters according to the requirement of the chuche agricultural method.

The period of the rice transplanting battle is a really important period for farming each year.

The functionaries of the rural economic sector and the agricultural working people should launch themselves into the speedy work of rice transplanting, upholding

the party's intent and completing it rapidly in a timely manner, so that we may achieve a bumper crop this year and powerfully display the superiority and invincible vitality of the socialist rural economic system of our country based on collectivism.

DPRK: Article Stresses Ideological Consciousness

SK1406111696 *Pyongyang Korean Central Broadcasting Network in Korean*
2230 GMT 12 Jun 96

[Unattributed talk: "The Work of Occupying the Ideological Fortress Is an Important Work Providing the Main Force of Communist Society"]

[FBIS Translated Text] In his historical policy speech, "Let Us Further Exalt the Superiority of Our Country's Socialism," the great leader Comrade Kim Il-song elucidated that the work of occupying the ideological fortress is the work providing the main force of communist society.

The great leader Comrade Kim Il-song has taught: The work of occupying the material fortress is the work of providing the objective conditions of communist society, but the work of occupying the ideological fortress involves remolding people, the masters of society, in the communist way, thus it is the work providing the main force of communist society.

The work of occupying the ideological fortress involves remolding the people, the masters of society, in the communist way, that is to say, it is the work to lead people who live in a communist society to possess features appropriate for a communist society.

Formularization in the work of occupying the ideological fortress is the work to provide the main force of communist society and is the immortal, classical formularization which elucidates anew the inherent nature and importance of the work of occupying the ideological fortress.

The main force of communist society is precisely the persons and the driving forces in charge of building and managing communist society. Communist society is built and operated through the main force's active responsibility and role. In other words, apart from the main force's active responsibility and role, we cannot build communist society nor can we operate it smoothly.

The main force of communist society is provided through the work of occupying the ideological fortress. The work of occupying the ideological fortress involves generally two things. One is to foster all members of society into communist human beings with high independent ideological consciousness and creative ability, and the other is to make society a communist collective

firmly united in comradely love. These two works form two organic component parts in the work of occupying the ideological fortress of communism, which is to remold people, the masters of society, in the communist way.

The work of occupying the ideological fortress, first of all, provides the main force of the revolution and the main force of communist society, through the process of fostering all members of society into communist human beings with highly independent ideological consciousness and creative ability.

Man is the master of society. Therefore, fostering people into communist human beings with independent ideological consciousness and creative ability, that is to say, into human beings who can lead a completely independent and creative life as the master of their destiny, constitutes precisely an important guarantee which makes it possible to successfully build and correctly operate socialism and communism.

Even though productivity is developed and, consequently, affluent materials are produced, if the people who enjoy them fail to be remolded into communist human beings with independent ideological consciousness and creative ability, they cannot build a communist society nor can they even strengthen and develop relationships in communist society. Only through the work of occupying ideological fortress will it be possible to firmly arm all members of society with communist ideological consciousness, that is, independent ideological consciousness, to enhance their creative ability, and, thus, to lead them to outstandingly possess the ideological and mental features and abilities as the main force of communist society.

The work of occupying ideological fortress also provides the main force of the revolution, the main force of communist society, through the process of making whole society a communist collective which is firmly united with comradely love.

By nature, the communist society is a highly-organized society. It is a society in which all people are firmly rallied as one in ideology and will around their leader [suryong]. The main force in socialist, communist construction is the social and political collective firmly united in comradely love and based on the principle of collectivism. In other words, it is a united body of the leader [suryong], the party, and the masses.

When the popular masses firmly unite around the leader [suryong] organizationally and ideologically under the party's leadership, they can become the invincible main force of the revolution and play a leading function and role in socialist, communist construction.

The work of occupying the ideological fortress firmly prepares the popular masses to become a strong social and political force through the process of making the whole society a communist collective which is firmly united in comradely love.

All of this tells us that the work of occupying ideological fortress is precisely an important work to providing the main force of communist society.

With the great leader's [suryongnim] elucidation in his historical policy speech of the new truth that the work of occupying the ideological fortress is the work to provide the main force of communist society, the profound ideology that this work forms the most important content in socialist, communist construction and that the fate of socialist, communist construction depends eventually on the work of occupying the ideological fortress has been completely elucidated.

Our party has vigorously pushed ahead with the ideological revolution in socialist, communist construction, of struggling to occupy the ideological fortress, while consistently making it a priority. As a result of this, a fundamental change has been effected in the ideological and mental features of our party members and the working people and in their life styles.

For our people to consummate the cause of socialism it is imperative to continue deepening the ideological revolution on the basis of this mighty success.

The important problem arising here is to lead all party members and the working people to more firmly establish a chuche-oriented revolutionary view on the world, to struggle staunchly along the single road of chuche under any circumstances without the slightest degree of trepidation, and to more firmly deepen the single-hearted unity of the leader [suryong], the party, and the masses by continuously strengthening indoctrination in the chuche idea.

When we strengthen the struggle to occupy the ideological fortress, that is to say, when we strengthen the main force of the revolution and enhance its role while giving priority to the ideological revolution, our style of socialism will demonstrate greater might and vitality, and great progress will be effected in the accomplishment of the chuche revolutionary cause.

South Korea

ROK: Three DPRK Patrol Boats Cross MDL, Return Home

*SK1406094596 Seoul KBS-1 Radio Network
in Korean 0900 GMT 14 Jun 96*

[By reporter Kang Sok-hun from the Ministry of National Defense]

[FBIS Translated Text] Three North Korean patrol boats intruded across the Military Demarcation Line [MDL] in the West Sea [Yellow Sea] and returned [to the North's side].

The Joint Chiefs of Staff said that three North Korean patrol boats crossed the MDL near Yonpyong Island in the West Sea on the afternoon of 14 June and returned soon after without any abnormal moves following a countermeasure by our naval vessels.

The Joint Chiefs of Staff immediately assumed a defensive attitude, sending five high-speed vessels to the spot. According to the Joint Chiefs of Staff, when our naval vessels arrived there, one of the three North Korean patrol boats returned [to the North's side], and the two other boats followed it soon after.

The Joint Chiefs of Staff said: It appears that the North Korean patrol boats which crossed the MDL had no intention of engaging in a battle, and their act may have been aimed at testing our defensive posture. Therefore, we are now on a tighter alert.

This is the fourth time North Korean patrols have crossed the northern sea boundary since the beginning of the year. On 19 April, two North Korean patrol boats crossed the boundary during mobile training; on 11 May, a North Korean patrol boat crossed it while checking a Chinese fishing boat under operation; and early on the morning of 23 May, three North Korean patrol boats crossed the MDL and recrossed it soon after, deterred by our naval vessel.

ROK: DPRK Incursion Possibly Done To Protect Fishing Boats

*SK1406101796 Seoul YONHAP in English
1007 GMT 14 Jun 96*

[FBIS Transcribed Text] Seoul, June 14 (YONHAP) — Three North Korean speed boats violated the West Sea [Yellow Sea] northern limit line Friday afternoon [14 June], the Defense Ministry reported.

The ministry said that three North Korean boats intruded 7km south of the northern limit line at 2:35 PM through 3:06 P.M before they retreated to the north one and half

an hours later when seven South Korean patrol vessels sped to the scene.

The area of the North Korean intrusion was 18km southwest of Yonpyong-do island in the West Sea.

A ministry official said the North Korean patrol boats seemed to have violated the seaward extension of the truce line in an effort to protect about ten North Korean fishing boats operating in the vicinity.

"Therefore, it is believed their violation was different in nature from the North's intentional sea violation committed on last May 23," the official said.

The seven maritime and naval ships mobilized watched the North Korean patrol boats by radar about 2km south of their location in fear of inadvertent clashes in utterly poor visibility caused by thick mists, the ministry official added.

ROK: DPRK Operational Plan To Invade ROK Detailed

*SK1306120396 Seoul SISA JOURNAL in Korean
6 Jun 96 pp 26-29*

[Unattributed article "exclusively obtained" by SISA JOURNAL: "The North Korean Army's Operational Plan for Southward Invasion"]

[FBIS Translated Text] The basic reason for the ROK people's sensitive reaction to recent repeated provocations by the North Korean Army is their fear of the possibility of a full-scale surprise attack, which North Korea may kick off just as it did on 25 June 1950. This being the case, it will serve as a starting point for overcoming the threat from North Korea to review the North's operational plan based on the principle that knowledge about the enemy will lead to victory.

Choe Chu-hwal, 47, who defected to the ROK last September, is the highest-ranking officer among the North Korean soldiers who have defected to the ROK. His rank of colonel is equivalent to between a colonel and a lieutenant colonel in the ROK Army. Although he was engaged in external activities far from the operational field, being a high-ranking military officer in the North Korean Army gave him access to considerable information and intelligence on the organizations, strategies, and tactics of the North Korean Army. The following is the testimony of Choe Chu-hwal concerning the North Korean Army's operational plan, which was reviewed in comparison with the "National Defense White Paper" and the "Outline of North Korea," which are government publications.

North Korea is well aware that as long as the U.S. Army's satellite and communications surveillance in-

telligence network is in operation, a full-scale surprise attack on the ROK, as was launched on 25 June 1950, will be impossible. This being the case, North Korea's general scenario for the outbreak of war begins with a small-scale provocation by platoons and squads engaging in a rifle battle in the military Demarcation Line [MDL], with a gradual expansion of the battle to regiments and divisions. In the event the clash is expanded to the division level, North Korea believes the ROK-U.S. combined forces will regard the clash as a full-scale war and will launch a major attack, mobilizing artillery and fighters.

North Korea's provocations will possibly break out at sea off five islands in the West Sea [Yellow Sea], including Paengnyong Island. The five islands, which are under the control of the ROK Armed Forces, are defined by such vague expressions as "these islands are the district supervised by the UN Forces at the time of conclusion of the Armistice Agreement." However, there is a possibility North Korea will launch an invasion under the pretext that "the ROK illegally occupied these five islands, which are the same as the DMZ," because the Northern Limit Line [NLL] of the ROK overlaps with North Korea's maritime boundary line. North Korea may possibly induce the ROK Armed Forces to commit a provocation by slightly intruding across the MDL using a fighter, or intruding across the MDL with a fighter disguised as a defector and returning.

In case the ROK-U.S. Combined Forces open fire, induced by such a provocation, commanders and all fighters from North Korean army divisions along the front are to enter mined areas. In this case, a core question decisive to the success or failure of future battles is how fast the North Korean soldiers can enter the mined areas carrying their equipment. North Korea calls this the "maintenance of survival forces." In the past, in order to increase the maintenance level of their survival forces, the entire North Korean Army used to conduct training in entering mined areas whenever the ROK-U.S. Combined Forces conducted Team Spirit joint military exercises.

"Feint Operations" for Southward Invasion Along the Kaesong-Munsan Axis and the East Coast

Mine positions were built 100 meters deep in the mountain so that they can withstand even carpet bombing. Stored inside each mine position is enough food, water, and ammunition, as well as a command post. The mine entrances were made from three directions in preparation for artillery shelling from the ROK-U.S. Combined Forces. What the North Korean Army fears most is that a heat-seeking missile will come into the mine and ex-

plode. To prevent this situation, the North Korean Army installed a heating device 200-300 meters away from a mine entrance. The device gives off heat that is much stronger than the heat coming from the mine. Therefore, unless the U.S. Army uses nuclear or chemical weapons, the survival forces of the North Korean Army are expected to be maintained almost completely.

North Korea calls a raid on the enemy with planes and guns before infantry or mechanized outfits start up a "preparatory attack." The North Korean Army's counterattack to the ROK-U.S. Combined Forces' preparatory attack is theoretically supposed to begin about five minutes earlier than the end of the preparatory attack. Actually, however, it does not know when the ROK-U.S. Combined Forces will finish their preparatory attack, so the North Korean Army will make a counterattack according to the supreme commander's decision. North Korea's counterattack will also start with a preparatory attack of gunfire and multiple-launch rockets and airplane raids. About five minutes before the end of the preparatory attack, North Korean corps on the front will move toward the South, crossing the MDL.

The 1st, 2d, 4th, and 5th Corps of North Korea are located on the front. The 1st Corps has taken up its position on the east coast in Kangwon Province; the 5th Corps at an inland area around Chorwon, Kangwon Province; the 2d Corps at an area around Kaesong; and the 4th Corps at an area around Haeju. The most chosen among these front corps is the 2d Corps, which is supposed to occupy Seoul by coming down along the vertical axis from Kaesong to Munsan. The area around this vertical axis is the only open land on the central Korean peninsula, and it is convenient for a large corps to move along the axis.

If North Korea strikes moving along the Kaesong-Munsan axis, the ROK-U.S. Combined Forces will resist strongly. Therefore, it is highly possible the 2d Corps of the North Korean Army will be annihilated. In order to cover such damage, North Korea plans to place about two-thirds of the war potential of the 4th Corps, which has taken up its position in Haeju, under the operational command of the 2d Corps. The 1st Corps is to invade the South straight along the Taebaek Mountains and the east coast. To confuse the ROK-U.S. Combined Forces, the 5th Corps stationed in Chorwon will likely adopt a feint tactic of pretending to move to attack Seoul. In case the ROK troops under the command of the 1st Army Headquarters move to the west to protect Seoul, the 5th Corps will block their move; this is also an important mission of the 5th Corps.

Through the experience of the Korean war, North Korea has been well aware that the ROK-U.S. Marine Corps'

landing operations in the rear is very threatening. If a war breaks out, North Korea will probably be sensitive to the moves by the Chongnyong and Hungnyong Units of the ROK Navy, which have taken up their positions on the west coast. Accordingly, the 4th Corps, whose war potential will have been cut to one-third by then, will not participate in the operations for southward invasion, but will set about coastal defensive operations to prevent the ROK Marine Corps from landing in an area of Hwanghae Province to attack the rear of the North Korean military corps on the front.

The North Korean military corps on the front will make a counterattack for three days. During this period they should break through an area 32 kilometers wide and 60-70 kilometers in depth, without fail. A 32-kilometer width of operations on the front by the North Korean military corps means that North Korea intends to gather troops of decentralized corps within a 32-km wide small sphere in case of an emergency. North Korea believes that because of this centralization, each military corps will be able to break through up to 60-70 kilometers away from their locations. Seoul is approximately 45 kilometers far from the MDL, and North Korea's basic goal is to occupy Seoul three days after its counterattack begins.

NODONG No. 2 and Taepodong No. 2 Are Aimed at Attacking Guam and Okinawa

The North Korean Corps is directly in command of the infantry division; artillery, tank, sharp-shooting, and light infantry brigades; and reconnaissance, engineering, river-crossing, and communications battalions. What is worth paying special attention to here is the activities of the reconnaissance battalion, sharp-shooting brigade, and light infantry brigade, which are capable of carrying out specialized warfare. Ordinarily, the reconnaissance battalion carries out the mission of secretly infiltrating into the corps' anticipated operational region, to seek out the locations of important enemy facilities. In October 1995, two soldiers of the People's Army affiliated with the reconnaissance battalion attempted to infiltrate into the South via the Imjin River. One soldier was killed and the other ran away toward the North.

The sharp-shooting brigade can be compared with the ROK Army's commando brigade. If a war breaks out, it goes into the van with a map drawn up by the reconnaissance battalion and makes the enemy's military facilities powerless and occupies an important base of operations. If necessary, it can be conducted through airlifts, but on the whole it is conducted on foot. Soldiers carry personal firearms as well as 60-mm and 82-mm trench mortars and multiple rocket launchers, and shells are loaded on horses. The brigade's creed

is: "By delving into the crevice where the shell falls, attack the target which can by no means be hit by our forces." The light infantry brigade is an anti-commando unit formed in preparation for a possible lowering of ROK-U.S. special allied forces after the advance by the corps. Members of this unit are very swift and can run a distance of 40 km with 30 kg of military attire in five and a half to six hours (infantry can run the whole distance in seven to seven and a half hours).

During the three-day counterattack period, it is expected that the frontline corps will achieve its goal as well as suffer a blow near to collapse due to intensive resistance by the ROK-U.S. allied forces. When the frontline corps completes its mission, four mechanical corps equivalent to the second battalion will appear at the fore and push ahead to the south coast. The four mechanical corps, under the camouflaged name of 106, 108, 820, and 425 training centers, are crack attack units that directly command the tank brigade, the self-propelled howitzer brigade, and the long-range multiple rocket launcher unit. However, since intelligence on the mechanical corps is regarded as the greatest secret even in North Korea, the corps' location has not even been confirmed.

During the early period of a war, an attack will begin and the guidance bureau of the military training corps will start operations. In the past, the guidance bureau of the military training corps was called the special 8th Corps. It consists of specialized warfare units, such as the air-borne troops and sharp-shooting brigade. The sharp-shooting brigade affiliated with the corps operates according to tactics, while the guidance bureau of the military training corps conducts specialized warfare from a strategic level, with the whole of the Korean peninsula as the target. It plans to infiltrate into important industrial cities such as Ulsan and major cities in the rear such as Pusan and Kwangju, avoiding the front where the battle is going on. It will destroy important facilities and agitate public sentiment, thus maximizing confusion.

Three days after the counterattack period, the mechanical corps comes to the fore and the supreme command plans to closely harmonize the operations of the mechanical corps and the guidance bureau of the military training corps. In other words, it will make the guidance bureau of the military training corps seize in advance major passageways such as Chupung pass and Chuk pass so as to maximize the mobilization effect of the mechanical corps. The harmonization of such mobile warfare and guerrilla warfare appeared after the North judged that guerrilla warfare is much more effective than regular warfare when considering how U.S. forces were dealt with during the Korean and Vietnam wars.

If a war breaks out on the Korean peninsula, the 8th U.S. Army and its affiliated 2d division and the 7th Air Force will naturally participate as a member of the ROK-U.S. allied forces. Also, the 5th Air Force and the 7th fleet stationed in Japan and the 13th Air Force stationed in Guam will immediately be mobilized to the ROK in conformity with the U.S.-Japan Security Treaty and the ROK-U.S. Mutual Defense Treaty. The 3d U.S. Marine Corps Expeditionary Force (the 3d Division of the Marine Corps takes the initiative) which always loads military materials on a ship and is on stand by, is stationed in Okinawa and is regarded as a full-scale combat force. However, as was revealed in the Team Spirit exercise, about 20 days are needed to fly the infantry division and equipment stationed on the U.S. mainland to the ROK.

The North Korean military makes little of the ROK's military strength and believes it could easily occupy the Korean peninsula if the U.S. Forces are repulsed. Thus, the North Korean military believes that as soon as war erupts, it must attack and immobilize the U.S. bases in Japan in order to secure an advantageous position. This is why North Korea painstakingly developed the Nodong 2 and Taepodong 2 long range missiles. North Korea's basic war concept is to concentrate a preemptive missile attack on the U.S. Marine, Air Force, and Navy throughout East Asia to prevent their movement to the ROK, then defeat the U.S. Forces in the ROK in the initial engagement, while the Guidance Bureau of the military training corps infiltrates behind the lines and paralyzes the rear of the ROK. Then, North Korea will occupy the Korean peninsula before the arrival of reinforcements from the U.S. mainland in 20 days.

The rear corps, which serve as reserve forces, will be responsible for defense operations in North Korea. Among eight rear corps, the 3d, 6th, 7th, and 12th Corps are located along the coast to prepare for the landing of the ROK and U.S. Marine Corps. The coast defense positions are all built in tunnels, with the artillery units being installed on rails for easy hiding in tunnels and for fast deployment. The eight rear corps also have the mission of annihilating the special parachute units of the ROK-U.S. combined forces that will land in the North's rear. For this mission, North Korea has an anti-special-unit light infantry brigade (but it does not have a sniper brigade).

An interesting rear area unit is the 8th Corps (or the Plant Military Training Corps). The unit can be compared to the ROK's mobilization reserve forces. In peace time, only the Guiding Bureau exists; however, at the issuance of a mobilization order, discharged soldiers under 35 who are working at plants form the corps.

Discharged soldiers working in rural areas comprise the Red Worker- Peasant Militia; they are commanded by the Public Security Ministry (equivalent to the ROK's National Police Agency) and support the operations of the rear corps.

While the ground troops mainly engage in offensive battles, the North Korean Navy engages in defensive sea denial operations. Their larger combat vessels are called ships [ham], and their smaller ones are called boats [chong]. Most of North Korea's vessels are boats, including rocket boats that carry ship-to-ship missiles, torpedo boats, multiple rocket boats, and gun boats. These boats are not sufficient to contend with the U.S. 7th Fleet and three ROK fleets.

The North Korean Navy reportedly stresses the sinking of the U.S. naval cruiser Palchamor [name as transliterated] by six high-speed torpedo boats during the early stages of the Korean war. However, the ROK history of the war does not record the North Korean Navy sinking a U.S. cruiser. A North Korean document obtained during the Korean war states: "North Korea occupied Kangwon Province on 5 July, 1950, and deployed the 588th Unit to defend the area. Around this time, U.S. and U.K. ships frequently approached the territorial waters of this area and fired guns. North Korea launched torpedoes and repelled a U.S. destroyer." However, whether the name of the destroyer was Palchamor was not confirmed. Records show that there was no U.S. Navy ship named Palchamor participating in the Korean war. It is presumed North Korea exaggerated the record for purposes of indoctrination.

What poses the greatest threat to the ROK is North Korea's 26 submarines. Following 1985, North Korea and Russia conducted submarine operations on two occasions. North Korea was in charge of the submarine operation, and Russia engaged in antisubmarine operations, mobilizing their surface ships, but Russia reportedly could not detect a single North Korean submarine. Through such submarine exercises, North Korea plans to attack large ships of the ROK-U.S. combined forces in case of an emergency.

Noteworthy units of the North Korean Navy are the two sniper brigades, which can be compared to the ROK's underwater demolition team (UDT). All brigade members can perform underwater demolition missions while wearing diving suits and approaching enemy ships. The divers use mini-submarines that cruise beneath the water's surface and are very difficult to detect by radar. The mini-submarine has a powerful magnet attached to the bow and is loaded with high explosives. Thus, even if the submarine loses its navigating ability, it can self-destruct kamikaze-style by ramming an enemy ship.

The North Korean Air Force is also inferior in an objective view. Thus, North Korea is developing various tactics to avoid head-on aerial combat, using group combat tactics in which they bait and intercept one or two enemy fighters. The North Korean tactic was successful in April 1969 when a North Korean MiG-21 shot down a U.S. Air Force EC-121 espionage aircraft over Orang, North Hamgyong Province.

Before the incident, only a brigade of MiG-19's were based at Orang, these planes being unable to intercept the EC-121. The EC-121 used to gather intelligence while in the skies above Orang. North Korea discovered this and secretly moved two MiG-21's to Orang from Kaechon, South Pyongan Province. When the EC-121 completed its reconnaissance mission and was about to return, the MiG-21's soared up and shot down the EC-121. In addition to such surprise and ambush attacks, the North Korean Air Force has a plan to commit kamikaze-style attacks using the An-2's, which are difficult to detect by radar.

The ROK-U.S. combined forces' plan to counter the North Korean operational plan is the well known "OPLAN 5027." While preparing defense operations for an all-out southward aggression by North Korea, Operational Plan 5027 reportedly adopts the forward defense strategy to deploy large maneuvering forces to cross the Military Demarcation Line [MDL] and attack North Korea. The forward defense strategy was first adopted by NATO, which emphasizes mobile warfare. The ROK adopted the strategy during the Pak Chong-hui regime at the recommendation of Hollings Ward, then 1st Corps Commander of the ROK-U.S. Forces, who said: "The distance between the MDL and Seoul is very short. We should adopt mobile attack warfare to defend the ROK." If North Korea can be said to be a warrior who only attacks with two swords, then the ROK-U.S. combined forces can be said to be a warrior that wields both a sword and a shield.

North Korea's plan is to reunify the entire Korean peninsula in case of an emergency, but the ROK-U.S. combined forces only consider advancing up to the line of the Chongchon River and Wonsan. A reserve general said: "According to an appendix to 5027, it is very likely the United States would stop the advance of the ROK-U.S. combined forces at the Chongchon River-Wonsan line. The United States seems worried about the participation of the PRC Army, and even a world war, if the United States advances beyond that point."

Operational plans are constantly being adjusted in accordance with the situation of the neighboring countries and the changes in combat capabilities and strategies. Therefore, we cannot assert that the reserve general was

correct. However, if war erupts, both South and North Korea would want to take over control of the other, so the winner would also suffer critical damage.

Who will win if war breaks out on the Korean peninsula? If anyone asks the question, a wise answer may be: "Seek a situation in which North Korea cannot implement its operational plan." In order to avoid war, many experts believe the ROK Army should strengthen its intelligence capabilities and make the Army more scientific and mobile.

ROK: Journal Views DPRK's Military Organization

SK1306062596 Seoul SISA JOURNAL in Korean
6 Jun 96 pp 30-31

[Article by reporter Yi Chong-hun]

[FBIS Translated Excerpt] There are many differences in the military organizational structure between North and South Korea. Thus, a direct comparison of the military organizational structures of North and South Korea is impossible. The ROK Ministry of National Defense is under the cabinet led by the prime minister, while North Korea's Ministry of People's Armed Forces is not under the Administration Council but under a separate organization, the Military Commission, the chairman of which is Kim Chong-il.

The highest positions of power in North Korea are said to be the general secretary of the Workers Party of Korea [WPK], the supreme commander of the Korean People's Army [KPA], the president of the state, and the chairman of the National Defense Commission. Of these positions, the most powerful positions are the general secretary of the WPK and the supreme commander of the KPA, and accordingly, president of the state and chairman of the National Defense Commission are next.

At present, Kim Chong-il holds the positions of KPA supreme commander and chairman of the National Defense Commission, leaving the posts of general secretary of the party and president of the state unfilled.

The ROK Armed Forces are a joint military system in which the three services—the Army, the Navy, and the Air Force—stand as equals. The KPA is a unitary unified military command system in which the Office of the General Staff of the KPA commands the Army, the Navy, and the Air Force in a unified manner.

As regards the ROK Army, there are headquarters for the First, Second, and Third Armies [kun] under Army Headquarters, with each of these armies having corps [kundun] under them.

However, there is no military organization called a field army headquarters [kun saryongbu] in the North Korean army. Corps are under the General Staff of the KPA. In North Korea's military organizational structure, an Army corps is believed to be on the same level with the headquarters of the Navy and the Air Force.

Since the ROK armed forces are a joint military system, the heads of the three services exercise the prerogative of military administration over their respective services, while the chairman of the Joint Chiefs of Staff [JCS] exercises the prerogative of military order and command over the three services.

On the contrary, in North Korea the Ministry of the People's Armed Forces exercises the prerogative of military administration, and the General Staff of the KPA exercises the prerogative of military order and command.

The prerogative of operational control over the ROK armed forces in time of peace is exercised by the chairman of the JCS. In time of war, the commander of the ROK-U.S. Combined Forces Command would exercise operational control over the ROK First and Third Armies, the ROK Navy and Air Force, and the U.S. forces in Korea.

When Chinese communist forces were stationed in North Korea until 1958, North Korea also established military strategies for combined operations with Chinese communist forces. However, following the withdrawal of the Chinese communist forces from North Korea, Pyongyang declared the so-called "self-defense principle" in December 1962. Since then, North Korea has established its own independent operations and strategies.

The strategies and tactics of the ROK armed forces have been modeled after "U.S.-style doctrines" called FM [field manual] because they have been influenced by U.S. military forces.

In the past, North Korea referred mainly to the Soviet Army's "field regulations," which contained quick attack mobile tactics and enveloping and surprising attack tactics. However, since its declaration of the self-defense principle, North Korea has established its own independent strategies and tactics combined with guerilla and mobile warfare and based on experiences attained during the Korean war.

The National Defense Commission has the Ministry of People's Armed Forces, the Security Guard Command [howi saryongbu], the State Security and Defense Department [kukka powibu], and the Ministry of Public Security [sahoe anjonbu] under its control.

The Security Guard Command can be compared to the Office of Presidential Security [taetongnyong kyonghosil] at Chongwadae [presidential offices] of the ROK. Under this command is the Pyongyang Defense Command, a corps-level military organization that can be compared to the Capital Defense Command of the ROK Army.

The State Security and Defense Department is a North Korean intelligence organization that can be compared to the Agency for National Security Planning in the ROK. This department has under its control the "National Defense and Security General Bureau" [kukpang kyongbi chongguk], a corps-level military organization responsible for defending the country's borders with the PRC and Russia.

The Ministry of Public Security, which can be compared to the National Police Agency of the ROK, has the two military organizations called the 7th General Bureau and the 8th General Bureau under its control. Members of these two general bureaus are engaged in the construction of subways and the Taechon Power Plant in the time of peace, but are turned into a corps-level military organizations in the event of an emergency.

The Ministry of the People's Armed Forces, which manages and controls the KPA, North Korea's regular armed forces, has five organizations under it, including the General Political Bureau and the General Staff of the KPA. The first of these organizations under the ministry is the General Political Bureau, which is an organization of the WPK.

In North Korea, the military is superior to the Administration Council, and the WPK is superior to the military. Accordingly, the General Political Bureau of the Ministry of the People's Armed Forces holds priority over all other organizations in the ministry.

The Personnel Bureau [kanbukuk] of the Ministry of the People's Armed Forces manages the personnel affairs and assignments of high-ranking military cadres.

The Defense Bureau [powikuk] of the Ministry of the People's Armed Forces can be compared to the Defense and Security Command of the ROK Armed Forces [kukkun kimu saryongbu], its main mission being to reveal coup d'etat forces within the KPA. The Defense Bureau sets up wiretapping devices in the houses of high-ranking general officers and in their offices. This is why North Korean officers dread the Defense Bureau.

The Rear General Bureau [hubang chongguk] under the Ministry of the People's Armed Forces is responsible only for supplying food and clothing to each corps. The logistic system of the KPA is entirely different from that of the ROK Armed Forces.

The Ordnance Bureau [pyonggi kuk] under the General Staff of the KPA is responsible for supplying ammunition, and the Transportation Management Bureau [unsu kwalliguk] under the General Staff of the KPA is responsible for providing vehicles and fuel support. This responsibility is divided amongst various bureaus according to the kinds of supplies.

That the Rear General Bureau has responsibility for supplying only two items—food and clothing—is due to the KPA's principle that supplying food and clothing in a timely manner is the most important factor influencing the military's combat capability. Until 1995, the Rear General Bureau was led by Colonel General Hyon Chol-hae, an uncle of Hyon Song-il who defected to the ROK last January while serving at North Korea's embassy in Zambia. It has not been confirmed who has been bureau director since then.

The General Staff [chong chambobu] of the KPA can be compared to an organization combined with the JCS of the ROK Armed Forces; the headquarters of the ROK Army, Navy, and Air Force; the headquarters of the First, Second, and Third Armies of the ROK Army; and the ROK-U.S. Combined Forces Command.

The General Staff has scores of bureaus under its control, including the Operation Bureau and Combat Training Bureau. However, the core bureau under the General Staff is the Operation Bureau headed by General Kim Myong-kuk. The Operation Bureau is to directly contact KPA Supreme Commander Kim Chong-il in the event of an emergency, bypassing the Ministry of the People's Armed Forces and the General Staff of the KPA.

There are 10 departments [cho] under the Operation Bureau. Among them, the Second Department is the core department, for it prepares operational plans, revises and supplements them, and drafts Kim Chong-il's instructions and orders relating to military operations.

The First Department is responsible for administrative affairs in the Operation Bureau. The Third Department is in charge of the operations of the First, Second, Fourth, and Fifth Corps, which are deployed in the frontline area and called frontline corps. The Fourth Department is in charge of the operations of eight infantry corps other than the aforementioned four frontline corps. The Fifth Department is in charge of the operations of the Guidance Bureaus of military training corps which are in charge of special warfare training and the operations of sniper and light infantry brigades attached to infantry corps. The Sixth Department is in charge of Air Force operations, and the Seventh Department is in charge of Navy operations.

Unlike staff offices in the headquarters of the three services of the ROK Armed Forces, bureaus under the General Staff of the KPA have their own subordinate units. In other words, the Reconnaissance Bureau under the General Staff of the KPA has five reconnaissance battalions, the Engineer Bureau has a heavy river-crossing brigade, the Communication Bureau has a communication brigade, and the Chemical Bureau has five to six chemical battalions. These units are mobilized in operations for strategic purposes. However, those reconnaissance battalions, engineer battalions, and river-crossing battalions assigned to a corps are mobilized during the tactical operations of the corps to which they belong.

The Eighth Department of the Operation Bureau is in charge of planning and preparing the operations of all units subordinated to the bureaus under the General Staff of the KPA.

In the North Korean Army, the names of recruit training centers have been used to disguise the names of mechanized and artillery corps. In the North Korean Army, there are no separate military establishments called recruit training centers, like the Nonsan Training Center in the ROK Army. Instead, each battalion trains newly-enlisted soldiers that are drafted in its designated district. After training them for three months each, the battalion assigns them to units subordinate to that battalion. In other words, there is a recruit training center with each battalion in the KPA.

It is the responsibility of the Ninth Department of the Operation Bureau of the General Staff of the KPA to conduct corps-scale military exercises and unit inspections, which are in addition to the aforementioned training of newly-enlisted soldiers.

The last department under the Operation Bureau is the Information Department [podo cho]. This department takes charge of military-related business for the Military Armistice Commission at Panmunjom. In other words, within the Military Armistice Commission, military-related matters are taken care of by the Information Department, while remaining matters are taken care of by the Ministry of Foreign Affairs under the Administration Council.

Within corps-level units, units which use the camouflaged name of "guidance bureau" [chido kuk] are units directly commanded by Kim Chong-il, the so-called supreme commander of the KPA. For instance, the unit called "the Guidance Bureau of the Military Training Corps" [kyododae chido kuk] is the military organization once called the 8th Special Corps, and can be compared to the Special Warfare Command of the ROK Army.

The Artillery Guidance Bureau [pobyong chido kuk], which is equipped with surface-to-surface missiles, and the Tank Guidance Bureau [choncha chido kuk] are the Strategic Mobile Corps [chollyak kidong kundan] which is to be mobilized by order of Kim Chong-il in the event frontline and mechanized corps fail to break through the forward line of battle or are completely annihilated.

Artillery corps with camouflaged names, such as the 620th and 815th Recruit Training Centers, perform the mission of supporting infantry corps in an emergency.

The Pyongyang Anti-Aircraft Artillery Command, which is armed with surface-to-air missiles and anti-aircraft artillery, has the mission of defending the enemy's air attack against Pyongyang in combination with the Pyongyang Defense Command under the Security Guard Command [howi saryongbu].

The East Sea [Sea of Japan] Fleet under the naval headquarters of the KPA has 10 flotillas, and the West Sea [Yellow Sea] Fleet has six.

There are three wings under the Air Force headquarters of the KPA, with each wing having one fighter regiment, one bomber regiment, one An-2 aircraft regiment, one helicopter regiment, and one anti-aircraft rocket regiment. Each wing is capable of waging independent operations.

The think tanks of the Ministry of the People's Armed Forces, which can be compared to the Korean Institute for Defense Analyses [KIDA] of the ROK, are the Research Institute for Military Sciences [kunsu kwahak yonguso] and the Strategy Research Institute [chollyak yonguso]. These institutes study the military history of the Soviet Army during World War II, the history of the wars between Israel and its Middle East neighbors, the operations of multinational troops during the Gulf war, and the development of new weapons. The books published in these institutes are used as textbooks at the KPA Military College. The college reportedly taught about the performance of the ROK-developed K1 tank and KDX destroyers.

Within the ROK Armed Forces, the ranks of military commanders are the same according to their position. For instance, the commanders of field armies, the chiefs of staff of the three services, and the chairman of the JCS are all generals; the commanders of corps are lieutenant generals; and the commanders of divisions are major generals. However, the ranks of commanders do not follow this procedure in North Korea. Kim Il-chol, the naval commander of the KPA, is a general, which is the same as the chief of the General Staff of the KPA (Kim Yong-chun); however, Cho Kum-chol,

the commander of the Air Force of the KPA, is a colonel general.

Cho Myong-nok, director of the General Political Bureau of the Ministry of the People's Armed Forces, was the commander of the Air Force, holding the rank of general. Upon taking over the position of head of the General Political Bureau, he was promoted to vice marshal, which is higher than the rank of the chief of the General Staff of the KPA. The rank of Kim Chong-il and Choe Kwang alike is marshal. However, Kim Chong-il's rank of marshal is marshal of the Republic, while Choe Kwang's is marshal of the KPA. [passage omitted on organizational structure of the KPA]

ROK: Defense Ministry To Ease Rules on Property Near Truce Line

SK1306081396 Seoul YONHAP in English
0733 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — Defense Minister Yi Yang-ho said Thursday [13 June] that his ministry plans to loosen a variety of restrictions on the rights of those who own private property near the truce line.

While attending the ruling New Korea Party (NKP) and government meeting at the National Assembly building, Yi said, "In order to eliminate the inconvenience to people residing in the Military Installation Control and Protection Area (MICPA) and the Military Installation Restriction and Protection Area (MIRPA), we plan to impose restrictions on the real estate in those areas selectively rather than uniformly."

Currently, the people residing in the areas near the Military Demarcation Line [MDL] are suffering from property damage because of the restrictions on the exercise of property rights involving real estates in those areas, Yi said.

The MICPA encompasses the area 20 kilometers south of the MDL and any area within 500 meters of military installations, while the MIRPA involves the area up to 5 kilometers south of the end of MICPA as well as the area extending from 500 meters from military installations up to 1 km.

Yi said the ministry will soon choose the areas where restrictions are inevitable.

The ministry and the NKP plan to draft revisions to the related laws and introduce them to the National Assembly in the regular September session.

ROK: Research Shows Majority of Koreans Agree With Aid to DPRK

SK1306015496 (Internet) The Digital Chosun Ilbo
WWW in English 1119 GMT 12 Jun 96

[FBIS Transcribed Text] Research conducted on 500 experts by a media research company sponsored by the Board for National Unification revealed that 55.2% of those surveyed signified their agreement towards government food assistance to the North while 40.6% were of the contrary view.

Supporters of aid based their views on the contention that aid would strengthen North-South relations (44.9%), brotherly love (34.8%) and the contention that aid would prevent the occurrence of a sudden erratic action on the part of the North (13.4%).

Opponents cited as reasons for their position the lack of a change in stance by the North (58.1%) and the danger of food being used for military purposes (34.0%).

ROK: NKP Lawmakers Express Doubts on Timing, Method of DPRK Aid

SK1406054496 Seoul CHUNGANG ILBO in Korean
13 Jun 96 p 4

[Report by Yi Chong-min]

[FBIS Translated Text] Lawmakers from the New Korea Party (NKP) have taken issue with the government's grain assistance for North Korea. They say that even though they have agreed on the assistance in principle, there are problems in the timing and method. They have even asked the government to obtain legislative approval after providing grain assistance to North Korea. This is because the lawmakers thought it difficult for them to block the government's walkover concerning this issue at party-government consultations.

Kwon O-ki, deputy prime minister for unification, and 18 NKP lawmakers attended a party-government consultation on reunification on the morning of 12 June. At the meeting the NKP lawmakers pointed out many problems while agreeing on assistance in principle.

Some lawmakers asked the government to make public detailed information on the North Korean food crisis, saying: "Without correctly understanding the food situation in North Korea, the government has decided to provide grain assistance due to international pressure. This is not good."

A report by Deputy Prime Minister Kwon was followed by a question-and-answer session. During the session Lawmaker Chong Chae-mun said that "many people are still opposed to rice assistance," adding: "It is desirable

for the government to proceed with rice assistance and obtain legislative approval after that in order not to give the impression that the government handles this matter unilaterally."

Lawmaker Hwang Pyong-tae, former ambassador to China, says: "We must handle grain assistance with a view to reforming the North Korean establishment," adding: "It would be good to provide grain to North Korea through an international consortium and propose to North Korea that it make reforms and open itself up in return for grain assistance."

During the meeting, some lawmakers criticized the government, insisting that the government's decision on grain assistance has helped North Korea strengthen its position.

Lawmaker Yi Se-ki said: "Have we virtually conceded the principle that North and South Korea should handle the rice aid issue, among the three principles on rice assistance for North Korea? Have we helped North Korea solidify its position that all they should do is ignore South Korea but talk to the United States only?"

Lawmaker Kim Chung-wi said: "It is time that our government assume a clear-cut position on U.S. policy toward North Korea."

Meantime, lawmaker Kim Tok has proposed establishing a new nongovernmental organization, saying: "The government has chosen the Korean National Red Cross as a channel for nongovernmental assistance for North Korea. However, this strategy is not effective because North Korea does not recognize this channel."

ROK: PRC Red Cross Official Comments on Famine in DPRK

*SK1306120196 Seoul YONHAP in English
1124 GMT 13 Jun 96*

[FBIS Transcribed Text] Hong Kong, June 13 (YONHAP) — Famine is ubiquitous in North Korea and even soldiers let alone ordinary people suffer from famine, a Chinese official who has been to North Korea said in an interview with the daily MING PAO here Thursday [13 June].

The MING PAO report said Wang Xiaohua, a deputy director of the China Red Cross Society, spoke of North Korea's famine in an interview held with the daily in Shenzhen, Guangdong Province of China.

Wang, it said, had worked as a relief worker in flood-stricken areas like North Pyong-an, Chagang, Kangwon and South and North Hwanghae Provinces for four months from January through April this year.

"Too much rice paddies are covered with a thick layer of dirt in the floods, which can hardly be tilled without the lapse of three to five years," Wang said.

Because of the damages done to farmlands, he said, North Korea's food problems would continue through after next year.

Wang said the North Korean people use 250 grams of rice a day, which is less than half of minimum daily needs in a condition where virtually no subsidiary foods like vegetables and meat are available.

"A situation in which people take grasses does actually exist in North Korea," he added.

ROK: Article Analyzes Additional U.S. Food Aid to DPRK

*SK1406083896 Seoul CHOSON ILBO in Korean
14 Jun 96 p 2*

[By reporter Kim Chang-kyun from Washington]

[FBIS Translated Text] On 12 June, the United States announced it will provide additional food aid to North Korea amounting to \$6.2 million. On the same day, Nicholas Burns, spokesman of the U.S. State Department, revealed during a briefing: "The policy goal of the United States regarding the North is the smooth implementation of the Geneva agreement and stability on the Korean peninsula." This is a roundabout way of explaining why they decided to provide additional food aid.

To implement the U.S.-DPRK agreement, a cooperative atmosphere must be maintained between the two countries. Also, if the hungry North Korean people are agitated, security on the Korean peninsula will be threatened, and thus it is necessary for the North to receive food aid. Behind the justification of humanitarian assistance lies the theory on the maintenance of the status quo to prevent a sudden variable from North Korea.

The additional aid this time shows a contrast in three respects compared with the first food aid carried out in February. First, it is clear that there are indications that the U.S. Government exerted efforts to appear as if it were trying to show cooperation with the governments of the ROK and Japan.

Apart from the exclusive aid by the United States in February, this time, after deciding to assist North Korea internally, it took the time to persuade the governments of the ROK and Japan and lured them to announce together the decision to provide the North with food aid.

Also, after the governments of the ROK and Japan announced first on 11 June the plan to provide additional

food aid to the North, the United States then made such an announcement one day later, thus showing that "the United States will not take precedence over the ROK and Japan." During the first food aid, the ROK and U.S. media criticized: "The United States enforced aid to the North by ignoring the ROK Government's opposition on this matter." Also recently, Bob Dole, the U.S. Republican Party's presidential candidate, strongly criticized Clinton's policy on the North. It is being analyzed that all this made the U.S. Government exert more effort to shape cooperation among the three countries."

What is also attracting attention is that the scale of aid, which was \$2 million in late February, has now increased by about three times. If the first aid focused on the symbolic meaning that "the United States provided food aid to North Korea," it seems that this additional aid was decided upon after judging that "we must help, even at a minimum, to solve North Korea's food shortage."

A change in recognition of the seriousness of the North's food shortage brought about an increase in the scale of aid. The U.S. Government had weighed whether to provide between \$5-10 million in aid. However, judging that "\$10 million would receive psychological resistance from the ROK Government as well as from the U.S. Congress," there is after-talk that it adjusted the amount of aid downward.

In February, the United States used the Foreign Disaster Assistance as financial resources, but this time it decided to use the "PL-480" fund.

With the first aid, the United States had planned to use the PL-480, but the ROK Government opposed it, saying: "If the United States uses the PL-480 which was used on the ROK right after the Korean war, this may irritate the ROK people's sentiment."

It is known that the U.S. Government's policy this time was also to use other financial resources if possible, but since the reality is that the "PL-480" is the only financial resource that can be mobilized without having to go through procedures to get approval from Congress, the U.S. Government decided to enforce the use of this financial resource this time as well.

ROK Red Cross To Send 572 Tons of Wheat Flour to DPRK

SK1406030996 Seoul YONHAP in English
0255 GMT 14 Jun 96

[FBIS Transcribed Text] Seoul, June 14 (YONHAP) — The Korean National Red Cross (KNRC) announced Friday [14 June] that it has decided to send 572 tons

of wheat flour to North Korean flood victims sometime this month.

The wheat flour will be KNRC's fifth shipment of relief goods to the flood-ravaged North Korea and has a 200 million won (about 250,000 U.S. dollars) market value, a KNRC official said.

He said the wheat flour relief was donated by various social and religious organizations and the general public.

So far, KNRC has delivered 730 million won in relief goods to the North Korean Red Cross Society through the International Federation of the Red Cross and Red Crescent. The previous relief shipments have included 10,000 blankets, 10,000 packs of ramyon instant noodles, 20,000 pairs of socks and 186,000 liters of cooking oil.

ROK: U.S. Envoy Denies Large Insurance Payment to DPRK

SK1406031496 Seoul YONHAP in English
0235 GMT 14 Jun 96

[FBIS Transcribed Text] Seoul, June 14 (YONHAP) — U.S. Ambassador to South Korea James Laney denied Friday [14 June] a report saying that North Korea received 130 million U.S. dollars in crop insurance in January.

The correct amount was 13 million dollars and was given last year, Laney pointed out, adding that the North has problems staying insured because it has trouble paying its premiums.

The diplomat made his remarks in his welcoming address at the first Korea-U.S. forum titled "Re-Establishing the Korea-U.S. Relationship in a Rapidly Changing Age" at the Hilton Hotel.

Laney also dismissed a Japanese press report saying that the United States was told by a senior North Korean official that Pyongyang had four nuclear-tipped missiles and was ready to use them against South Korea and Japan if both nations did not give food aid.

The U.S. State Department had earlier denied the SANKEI SHIMBUN report on Monday, calling it "preposterous."

ROK: Foreign Ministry Official on Insurance Payment to DPRK

SK1406063296 Seoul YONHAP in English
0618 GMT 14 Jun 96

[FBIS Transcribed Text] Seoul, June 14 (YONHAP) — North Korea claimed 135 million dollars in insurance money from eight European insurance firms last January

for the damage it suffered from hailstorms and cold weather in 1994, but it's not clear how much the North actually received from them, a Foreign Ministry official said Friday [14 June].

The official, requesting anonymity, said, "The Pyongyang government is still negotiating with the insurance companies to determine the amount of the damage caused by last year's floodings."

Reports have indicated that the North has received anywhere from 13 to 130 million dollars in insurance money.

"We have not yet received information on the exact amount of insurance money the North has received because the insurance companies involved refuse to release information citing company confidentiality regulations," the official said.

The official, however, added that what is clear is that the North is not eligible for the full amount claimed because it has failed to pay all the insurance premiums.

"Officials from the eight insurance companies visited North Korea last year to determine the extent of the damage caused by the cold weather and hailstorm," he said.

In a recent report filed after a tour of Pyongyang, officials from the United States Agency for International Development also indicated that the North was negotiating with several European insurance companies to be reimbursed for its cold weather damage claims.

The official raised doubts about reports that the North received 130 million dollars for its insurance claims, by saying that such a large amount would have to be reimbursed by American firms located outside of the United States and that such financial transactions could be traced one way or another.

The United States lifted restrictions on financial transactions between American firms outside the United States and North Koreans in January 1995.

Another problem is that the North owes a substantial amount to several European countries and they will certainly claim some portion before such a large amount of insurance money is dispersed to North Korea, according to the official.

North Korea paid cash when it purchased rice from Thailand last year but it's not clear whether the North bought rice from India and other countries on cash or credit, according to the official.

Reports have said that the Pyongyang regime has not used the insurance money to buy rice from abroad.

ROK: Article on U.S., ROK Disagreement on DPRK Insurance Payment

SK1406103096 Seoul HANGYORE SINMUN in Korean 14 Jun 96 p 3

[Article by Chong Yon-chu in Washington]

[FBIS Translated Text] Last weekend, when the United Nations was about to announce additional aid to North Korea, an ROK Government official leaked to the media that "At the end of January, North Korea received a \$130-million crop insurance payment from reinsurance companies in eight countries for cold-weather damage in 1994." The official then hinted that North Korea did not purchase grain with the payment. It is believed that the ROK attempted to hamper the efforts to provide North Korea with food aid.

The information worsened ROK public opinion on food aid for North Korea and threw a wet blanket on the United States and the international community's efforts to provide more aid to North Korea.

Washington raised the question that North Korea would have had to pay a considerable amount in insurance premiums in order to receive such a huge reimbursement, and doubted that North Korea was able to pay so much hard currency.

On 11 June, the U.S. State Department spokesman was asked about North Korea's insurance of \$130 million. The spokesman said: "We were unable to confirm that," and strongly denied the scope of the insurance. Another U.S. Government official even warned: "You should not hastily believe the rumor about the \$130-million insurance."

The WASHINGTON POST reported on 12 July that U.S. Government officials have a quite different opinion from that of ROK Government officials. While ROK officials claim the insurance amount is \$130 million, U.S. officials say that, while they do not know the exact amount, the insurance is at most around \$25 million. Washington diplomatic sources say that the ROK Government's allegation of \$130 million is the amount North Korea claimed, but not the actual amount of payment.

Officials of the two governments have a disagreement over the facts. Considering that the ROK and U.S. Governments have stressed their "close alliance," this is an unusual reaction.

This is not a difference of opinion, but a difference in data and intelligence on North Korea's resources for purchasing food, which is a serious problem.

If the \$130-million insurance payment is true and only the ROK Government knows this, but not the U.S.

Government, this is a serious problem. This shows that key intelligence is not being shared, and that the ROK-U.S. alliance is in name only.

If the \$130-million insurance is not true, the ROK Government's morality will be hurt in the international community. Leaking false information to hamper aid for North Korea will inevitably be denounced.

The most urgent task is to disclose the truth about the \$130-million payment. The ROK Government should immediately disclose all relevant information. The insurance companies concerned should also reveal the truth.

ROK: Kong No-myong Discusses DPRK Liaison Office, 4-Way Talks

SK1406070496 Seoul YONHAP in English
0654 GMT 14 Jun 96

[FBIS Transcribed Text] Seoul, June 14 (YONHAP) — North Korea appears satisfied with its current channel of contact with the United States at its United Nations mission in New York, which could explain its failure thus far to establish a liaison office in Washington, Foreign Minister Kong No-myong said Friday [14 June].

Financial difficulties and North Korea's reluctance to have the United States get too close in their nation may also be why Pyongyang has yet to set up such an office, Kong added.

The minister was giving a luncheon address at the first Korea-U.S. Forum at the Hilton Hotel organized by the Korean-American Friendship Society and Seoul Broadcasting System.

Seoul has no desire to destabilize the regime in Pyongyang nor to have the North Korean people suffer, Kong asserted in his presentation. He then called on the North to accept the proposed four-way talks for peace on the Korean peninsula, saying that if the North's leadership is genuinely committed to feeding its people, it should not hesitate to resume inter-Korean dialogue.

"In short, the issue is not the lack of the South Korean Government's will to provide assistance to the North, but North Korea's inability to accept our sincere help."

Future South Korean policy towards the North should be geared to assist the communist nation to achieve a "soft landing" and help it avoid collapse, he opined, but the North cannot be saved from its current dire situation if it refuses to reform its present system.

The diplomat blamed North Korea's food crisis on the nation's disproportionate spending on its military, its neglect of basic economic principles, lack of advanced

agricultural technology and low productivity as well as the floods.

ROK Daily Says ROK, U.S. Should Urge DPRK Not To Produce Missiles

SK1306014396 Seoul THE KOREA TIMES in English
13 Jun 96 p 6

[Editorial: "Outcome of ROK-US Missile Talks"]

[FBIS Transcribed Text] Korea is expected to upgrade its missile capabilities with an agreement having been reached with the United States for an ease on restrictions on the nation's missile development. The accord came after two days of talks on the non-proliferation of missiles and other weapons of mass destruction in Seoul Monday and Tuesday [10 and 11 June].

The U.S. will henceforth be able to transfer missile technology that had so far been blocked now that Korea accepted a curb on its development of missiles with a range of over 180 km in return for the U.S. deployment of a missile umbrella over the peninsula.

But the new agreement will be implementable only upon Korea's admission into the Missile Technology Control Regime (MTCR), which bans transfers of technology for missiles with a range of over 300 km and warheads weighing more than 300 kilograms. To discuss details of Korea's entry into the regime, the two countries are expected to continue their talks in September.

At least until Korea joins the MTCR, the 1979 freeze will technically remain valid. Yet, the need for U.S. missile technology transfers is acute especially in view of North Korea's fast development of missiles with a longer range. Reportedly, the communist state has already developed a 500 km-range Scud missile and has completed or is developing missiles with a range of 1,000 km and 2,000 km.

Under the circumstances, it would be unfair and unreasonable for the South to remain tied by the restrictions while there are actually no restraints on the North's frenetic development of missiles and other weapons of mass destruction.

Accordingly, it behooves Seoul and Washington to exert joint efforts to discourage the hardline North from producing missiles and exporting them, while they induce it to join, along with the South, the MTCR and other international arms control pacts, including the Australian Group (AG) designed to restrict exports of chemical materials.

Korea's admission into the regime does not mean the immediate go-ahead for a missile program. The missile technology and equipment could be utilized for the

advancement of research programs in related sectors like space exploration science.

There is no denying that the ultimate goal of missile development is to attain a self-reliant defense. Nonetheless, as important is the maintenance of close cooperation and mutual assistance by Seoul and Washington as treaty allies responsible for stabilizing peace in North-east Asia.

ROK Editorial Views U.S. 'Unshackling' of Missile Restrictions

*SK1306013896 (Internet) The Digital Chosun Ilbo
WWW in English 1114 GMT 12 Jun 96*

[Editorial: "Unshackling of Missile Restrictions"]

[FBIS Transcribed Text] There is an imbalance in missile development between the North and the South. North Korea has already developed 1,000 km surface to surface missiles and is now preparing to produce 3,500 km long-range missiles. The South however has to date been confined to the construction of short-range surface to air missiles.

The major reason for the disparity is the existence of the Missile Memorandum entered into between the South and the United States. Under the Memorandum South Korea is prohibited from manufacturing missiles with range in excess of 180 km and warhead weight in excess of 500 kg. The South entered into the missile pact in the promise of at least receiving short-range missile technology transfer however the net result is that we are now hamstrung and unable to expand our endeavors in this arena [sentence as received].

It is very significant that agreement was reached at the recent Korea-US Non-proliferation Policy Conference such that Korea may now produce missiles with a range of up to 300 km. There is still a substantial difference in missile production potential between the South and the North, which is not subject to any applicable limitations. Nevertheless, the difference in the utility of 180 km and 300 km missiles is enormous. 180 km missiles are able to strike Pyongyang whereas 300 km missiles are capable of reaching any point within the territory of the North hence the agreed reduction of the previous limitation has granted us the ability to fully and independently defend ourselves against a North missile threat.

The ability to develop missiles carries ramifications beyond the military sphere, however. We can of course always rely on the US' advanced missile systems to secure our territory or if necessary introduce that system ourselves. Missile development constitutes the basis of

space industry technology and without such we cannot effectively enter this arena.

The government has laid down a mid and long-term space technology development strategy intended to catapult Korea into the leading ten countries in this arena by the year 2015. 4.8 trillion won has been set aside for the independent development and production of 19 satellites including communications satellites and multi-purpose satellites. To progress this plan it is necessary to develop rocket boosters capable of launching craft or carriers in excess of 300 km. A means of achieving this would be to either gradually ease restrictions currently in place or to draw a distinction the production of missiles for military and non-military use, making the latter an exception to the restrictions. If the US and the South approach this issue with trust then a compromise supplying mutual benefit to each side should be easily reached.

ROK Daily Welcomes New USFK Commander's Remarks on Missiles

*SK1406082796 Seoul SEOUL SINMUN in Korean
14 Jun 96 p 3*

[Editorial: "Testimony by the U.S. Forces Korea Commander"]

[FBIS Translated Text] The United States will deploy PAC3, SM2, and other state-of-the-art missiles in the ROK in the near future, said General Tilelli, new commander of the U.S. Forces Korea, at a Senate confirmation hearing the day before yesterday. He also stressed the need to deploy the Theater High Altitude Area Defense network early to intercept North Korean long-range missiles, considering the current situation on the Korean peninsula. We assess the new USFK commander's judgment of the situation on the Korean peninsula as being very appropriate.

The United Nations and other components of the international community are moving quickly to help North Korea, which is suffering from food shortages. Still, North Korea's military threats have not diminished: It assumes a more provocative attitude toward South Korea. Just a while ago, it established military positions inside the DMZ, and conducted a maritime exercise after crossing the Northern Limit Line. What really threatens us are missiles aimed at the heart of the ROK.

North Korea reportedly has already developed and deployed 1,000 km-range ground-to-ground Nodong-1 missiles and are accelerating the development of over 3,000 km-range Taepodong 1 and 2 missiles. However, in the face of the North Korean missile threats, we have not been able to map out independent countermeasures,

but rely on the missiles of the USFK. This is because the ROK's missile development has been restricted severely by the ROK-U.S. memorandum of understanding: The ROK has not been allowed to develop missiles whose range is over 180 km and which exceed 500 kg.

In this respect, at the ROK-U.S. nonproliferation policy consultation, the delegates from the two countries agreed in principle that the ROK will be allowed to develop 300 km-range missiles on the condition that it will join the Missile Technology Control Regime. This is a meaningful agreement, because the deployment of PAC3's and other state-of-the-art missiles would not correct the serious North-South imbalance of missiles, including interceptor missiles.

In the meantime, General Tilelli gave a meaningful testimony on the future of the USFK. He said: The ROK-U.S. Combined Forces Command must be disbanded when the Korean peninsula is reunified. Still, he said, it is desirable for the U.S. Forces to stay in the ROK. He said that the USFK must stay to promote regional security. Then, it is necessary for the government to map out a policy for regional security, which is a very sensitive issue to Northeast Asian countries.

ROK: U.S. Intensifies Pressure To Open Telecom Market

SK1406065696 Seoul HANGUK ILBO in Korean
12 Jun 96 p 1

[Report by Yi Song-chol]

[FBIS Translated Text] In connection with the opening of the private sector's telecommunications equipment market, the United States is reportedly reviewing whether to designate South Korea as a priority foreign country (PFC) as of 1 July.

According to the Ministry of Finance and Economy and the Ministry of Information and Communications on 11 June, the ROK and the United States will hold negotiations on telecommunications in Washington on 13 and 14 June [U.S. Eastern Standard Time] discuss the issues concerning the private sector's procurement of telecommunications equipment. The United States has reportedly informed our government of its stance that it will decide on whether or not to designate the ROK as a priority foreign country in the event our country fails to accept its demand. Such a demand from the United States can be seen as a move to preoccupy large-scale domestic market of telecommunications equipment in the aftermath of the selection of the ROK's newly licensed service providers.

Currently, the United States has insisted on signing a memorandum of understanding guaranteeing that

ROK telecommunications service providers will not give priority to Korean manufactures when purchasing equipment and will not demand excessive transfers of technology and marketing techniques in buying equipment from U.S. makers.

However, the government is expected to stick to the existing stance that the government is not in a position to interfere with the private sector's equipment procurement process. Thereby, the result of the negotiations draws keen interest.

ROK Daily Views U.S. 'Unjustifiable' Trade Pressure

SK1406014396 (Internet) The Digital Chosun Ilbo
WWW in English 1211 GMT 13 Jun 96

[Editorial: "Unjustifiable Trade Pressure"]

[FBIS Transcribed Text] America's deviation into applying increasingly unjustifiable trade pressure is a worrisome trend. Though it is natural that any country, including an advanced one, will emphasize its own national interests in striking a trade agreement, when the pressure becomes a forced unilateral threat for an unfair share, the situation turns into a serious problem. Friction can derail friendly relations between the two countries, and can also effect the new world order under construction by the World Trade Organization.

America's demand that Korea open its communications market is a predictable one. As soon as service providers were selected, the U.S. began requesting that they purchase American-made equipment. Perhaps perceiving the Korean communications market as a one with limitless potential for growth, it is easy to understand the desire on the part of Americans to occupy a major role within it. However, taking a closer look at their requests, we begin to have doubts if we should give into their pressure.

The Americans have requested that Korean private communications enterprises not purchase domestic equipment preferentially, and that when they do buy American, they should not require a transfer of technology. The Americans even insist that the Korean government should guarantee these requests in writing, so that should anything go amiss, they can designate Korea as a preferential negotiating country, according to the Communication Trade Law.

There are similar pressures to liberalize trade in the auto industry as well, with requests that the Korean government guarantee at least a 10% share in the domestic car market. The disregard the Americans seem to have for their trade partners is excessive, making unfair requests to our government to guarantee sales in

the private sector. Though it may be important to the Americans that they secure a position in our market, for them to apply pressure which goes beyond international practices is condemnable, and our government has made it clear that it cannot accept these unjustifiable requests.

Of course, there are some fields where we do need to do more to liberalize our markets. In some cases, the pace is too slow, or changes are nominal. However, we should continue to counter unreasonable requests, and deflect those which infringe upon our sovereignty. The U.S. should avoid creating unnecessary friction by acting upon unilateral claims made by their businesses. Rather, to maintain their economic power, they need to behave with a bit of decency.

ROK: Presidential Spokesman on Upcoming Hashimoto Visit to ROK

SK1306012196 Seoul THE KOREA TIMES in English 13 Jun 96 p 1

[Report staff reporter by Han Tong-su]

[FBIS Transcribed Text] Japanese Prime Minister Ryutaro Hashimoto will visit South Korea June 22-23 for a summit with President Kim Yong-sam, Chongwadae [presidential offices] said yesterday.

In the summit, to be held on the scenic island of Cheju, Kim and Hashimoto will discuss their countries' plans to co-host the 2002 World Cup, while coordinating views on food aid to North Korea and other issues, the presidential office said.

This will be Hashimoto's first visit to South Korea since becoming prime minister in January and the first by a Japanese premier to the country in two years. Hashimoto last met Kim in March during the inaugural Asia-Europe Meeting (ASEM) in Bangkok.

"Kim and Hashimoto will discuss ways for Korea and Japan to forge a new cooperative partnership for the 21st century, as well as other issues of mutual concern," said Yun Yo-chun, presidential spokesman.

The two leaders will also discuss ways to step up tripartite cooperation between Korea, the United States and Japan to help realize the four-party meeting to be participated in by South and North Korea, the U.S. and China, which was jointly proposed by Kim and U.S. President Bill Clinton last April, Yun said.

Kim and Hashimoto will exchange views on issues to be taken up at the summit of Group of Seven leaders in the French city of Lyons, the spokesman said. The Japanese premier will attend the G-7 summit starting June 27, he added.

According to Yun, the successful co-hosting of the 2002 World Cup will be one of the primary issues on the summit agenda. "The Korea-Japan summit has been called due to the two leaders' strong wish to develop their bilateral relationship along a new dimension on the occasion of the co-hosting of World Cup games," Yun said.

Explaining the background of the summit, Yu Chong-ha, senior presidential secretary for foreign affairs and national security, said the FIFA [Federation of International Football Association] decision to have Korea and Japan co-host the 2002 World Cup has helped realize the early visit to Korea by Hashimoto.

"In a telephone conversation after the FIFA decision, Kim reminded Hashimoto of the invitation he had extended to him during the summit in Bangkok, and the Japanese premier promised to visit Korea before the Lyons G-7 summit," Yu said.

Despite the diplomatic row caused by Japan's territorial claim to the Tokto islets in the East Sea [Sea of Japan], Yu said, Hashimoto has been generally cooperative on South Korea's policy towards the North since his inauguration. Hashimoto announced his support for the four-party meeting immediately after it was proposed.

"Kim and Hashimoto have agreed on the need for the two neighbors to develop a future-oriented relationship and establish a channel of coordination between the Korean president and Japanese premier which is rather informal and carefree," Yu said, adding, "Hashimoto's working visit and the Cheju summit come as part of these moves."

ROK: Japanese Soju Plans To Enter Korean Market in Feb

SK1306015796 (Internet) The Digital Chosun Ilbo WWW in English 1118 GMT 12 Jun 96

[FBIS Transcribed Text] Soju is Korea's national alcoholic beverage. It is a clear liquid originally distilled from grains but today also produced from an array of other substances including sweet potatoes and tapioca. It is a favourite of company employees and business men after long hours slaving away behind the desk.

Japan's largest soju maker, Takara Ltd, has begun its invasion into the Korean soju market taking on local makers such as Jinro and Dusan Kyongwol. Tarada [as received] established a Seoul representative office six months ago and undertook extensive research into the Korean market. It will establish Korea Takara next February and begin marketing its soju locally.

An spokesman for the company's local subsidiary said that it will concentrate on producing soju at the high

end of the market. Takara is planning to build a large-scale soju factory in Korea after 1998 when the alcohol production market will be liberalized to permit foreign entry. The factory will also constitute the base for the company's planned foray into Chinese and North Korean markets.

ROK: Government May Recruit More Foreign Workers

SK1306015696 Seoul YONHAP in English
0130 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — More foreign "industrial trainees" will be recruited toward the end of the year in an effort to alleviate ever-worsening manpower shortage facing small businesses, an official at the Small and Medium Business Administration said Thursday [13 June].

The administration is consulting with other related government agencies on the issue after having tentatively decided to bring more foreign workers here under the "industrial training system" in the face of a rush for manpower in the manufacturing and fishery sectors and at the Yongjong-to airport construction site, the official said.

South Korea began hiring foreign "industrial trainees" in November 1993 in an effort to alleviate the chronic manpower shortage in the manufacturing sector.

The aggregated number of foreign workers admitted under the system reaches 70,000, with 19,000 workers to arrive next month taken into account.

The workers are from Nepal, the Philippines, Sri Lanka, Bangladesh, Thailand, China and some other Southeast Asian countries.

The administration will complete its survey of small businesses by early November and determine how many more foreigners should be invited.

ROK: French Transport Minister Arrives To Sign Cooperation Agreement

BR1306141396 Paris AFP in French
1040 GMT 13 Jun 96

[FBIS Translated Text] Paris, 13 Jun (AFP) — According to ministry sources, Equipment and Transport Minister Bernard Pons today began a two-day visit to South Korea accompanied by a number of representatives from industry.

The French minister should be received by President Kim Yong-sam and is to meet with his counterparts in the Korean Government.

Bernard Pons is accompanied by a number of company heads from the transport, aeronautics, and public works sectors, in particular Aerospatiale, Systra, Matra-Transport, Interinfra, the National Company for Aircraft Engine Studies and Construction [SNECMA], and Dumez-GTM.

The minister said: "This visit will see the signing of a cooperation agreement for construction work and transport."

Korea has opted for French technology for the building of a high-speed rail link between Seoul and Pusan.

Thus the Systra group (a holding company controlled by French railways [SNCF] and the Parisian urban transport company [RATP]) recently won a technical and engineering aid contract for the Seoul-Pusan high-speed rail project.

Interinfra is a subsidiary of the GEC Alsthom group which specializes in the delivery of turnkey rail transport systems and metro systems in particular.

Moreover, Korea, an ally of China, is looking to design and manufacture a new 100-seater aircraft using Western technology. The know-how of a European consortium of Aerospatiale, British Aerospace, and Alenia (going under the name AIA) was preferred over that of the American Boeing corporation after a fierce competition.

ROK: New Private Group To Promote Exchanges With Latin America

SK1306080896 Seoul YONHAP in English
0701 GMT 13 Jun 96

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — A group of local businessmen, scholars and government officials held a meeting Thursday [13 June] to discuss issues involved with launching a non-governmental organization aimed at promoting economic, political and cultural exchanges between South Korea and the Caribbean and Latin American countries.

Scores of participants attending the meeting held at the Sejong Cultural Center in downtown Seoul, agreed to set up a working group of 10 members or less to represent the business, government and academic communities and expedite the achievement of the society's goals. August was set as the target date.

They agreed to select an owner of big business as the chairman of the body in a bid to more effectively focus on economic affairs. Former diplomats and scholars will

be appointed vice chairmen assigned to take charge of the actual work.

They hope to attract up to 1 billion won in contributions during the initial stage, which would make the society financially secure.

They agreed that now is an opportune time to begin a society to help expand bilateral economic, political and cultural relations that have been developing rapidly in recent years.

The purpose of the Carib and Latin America society is to help the more than 2,000 South Korean firms operating in the region activate their business activities.

With that goal in mind, it will gather information about the Caribbean and Latin American region and issue bulletins and other publications on a regular basis.

The society will also arrange cultural events and sponsor seminars to promote mutual cultural understanding.

The participants hoped that the society will become an effective lobbying force in the Caribbean and Latin American states and Korea that can protect the interests of firms trading with and investing in the Caribbean and Latin American states.

"It is true that the Foreign Ministry and other government agencies have limitations in promoting economic, political and cultural exchange between the two sides and that's why we need to launch the non-governmental organization," explained Director General Yu Myong-hwan of the Foreign Ministry's American affairs bureau who presided over the meeting.

"Every time we receive heads of state, high-ranking officials and other social dignitaries from the Caribbean and Latin American states, we feel difficulty arranging seminars and other events that have nothing to do with the government," Yu said.

"That's because there is no non-governmental organization which can coordinate such activities."

According to Yu and other businessmen who attended the meeting, the existing bilateral economic or friendship organizations between South Korea and Brazil, Mexico or any other country in the region are operating in name only.

"The big difference between the proposed society and the existing ones is that the former will have a secretariat staffed by at least three people," he said, adding that the new society will serve as an umbrella under which the activities of other bilateral operations can be organized and coordinated.

The Caribbean and Latin American countries tend to act in economic and political groups rather than individually

these days to effectively deal with foreign countries, raising the efficiency of the proposed society which will deal with the states collectively.

The United States has the Caribbean Latin American action, headquartered in Washington, which is so powerful that it not only works as an effective lobbying force for both the United States and the Latin American states but also invites almost every head of state from the Caribbean and Latin American countries to their annual general assembly, according to officials. The situation is similar in Japan.

Exports to the Caribbean and Latin American states increased to 7.4 billion dollars in 1995 from 4.9 billion dollars in 1993 and officials expect trade with Latin America to reach 30 billion dollars in 2000, surpassing that of the European Union.

ROK: Assembly Expected 'To Fail' To Elect Speaker, Vice Speakers

SK1306033596 Seoul YONHAP in English
0304 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — The National Assembly is expected to fail again to elect the speaker and vice speakers Thursday [13 June], the seventh day since it opened, because of the opposition's blockade.

The ruling New Korea Party (NKP) is expected to try to elect the leaders in the afternoon, but the two opposition parties have not changed their joint floor strategy of keeping the ruling party from proceeding with the formation of the legislative leadership.

NKP floor leader So Chong-won ruled out the possibility of settling the impasse through dialogue, saying he wouldn't meet his opposition counterparts unless they lift the blockade.

If acting Speaker Kim Ho-nam of the minor opposition United Liberal Democrats fails to show up, the NKP will let Rep. Kim Myong-yun take the rostrum in the afternoon session to elect the speaker and vice speakers.

On Wednesday evening, Kim Ho-nam, who acted as speaker because he is the oldest lawmaker, handed his duties over to Kim Myong-yun, the next oldest lawmaker, for health reasons.

But opposition lawmakers are expected to keep Kim Myong-yun from making it to the rostrum.

If the opposition parties allow Kim Myong-yun to declare in his capacity as an acting speaker the opening of a meeting to elect the speaker and vice speakers but boycott and block the balloting, the NKP is expected to adjourn parliament for a cooling-off period.

NKP floor leader So said if the opposition guarantees the acting speakership, regardless of whoever may serve, the NKP will accept the opposition demand to adjourn parliament.

ROK: National Assembly Recesses Through 17 Jun
SK1306114396 Seoul YONHAP in English
1115 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — The National Assembly has gone into a recess through Monday [17 June] next week.

The assembly resumed a plenary session Thursday afternoon under the chair of acting speaker Kim Myong-yun of the ruling New Korea Party [NKP].

The session, however, promptly decided to go into a recess until next Monday without selecting a new speaker and two vice speakers.

Earlier in the day, the ruling and opposition parties had an unofficial floor leaders meeting where it was agreed to recess the session and to try to work out a bipartisan compromise during the recess.

The opposition National Congress for New Politics [NCNP] and United Liberal Democrats [ULD] agreed to have Kim Myong-yun act as acting speaker on the condition that he won't force through the selection of a speaker and vice speakers.

Despite their promise to try to strike a compromise, the rival parties are not likely to agree on a political compromise any time soon.

NCNP and ULD do not back down from a set of political demands they produced such the guarantee of the impartiality of the prosecution and police and the creation of an ad hoc committee on probe into election irregularities, demands which NKP categorically rejects.

The opposition parties vow to prevent Kim Myong-yun from taking the speaker's rostrum on next Tuesday and later if the ruling party tries to inaugurate the new assembly by itself without meeting the opposition demands.

Burma

Burma: Foreign Minister Departs for Meeting in Vientiane

BK1306150396 Rangoon Radio Myanmar in Burmese 1330 GMT 13 Jun 96

[FBIS Translated Text] At the invitation of Mr. Som-savat Lengsavat, foreign minister of the Lao People's Democratic Republic, Foreign Affairs Minister U Ohn Gyaw departed Yangon [Rangoon] by air this morning to attend the second Myanmar [Burma]-Lao Joint Commission meeting to be held in Vientiane on 14-15 June 1996.

Burma: Pro-SLORC Rally Held in Haka 3 Jun

BK1306161696 Rangoon TV Myanmar Network in Burmese 1330 GMT 13 Jun 96

[FBIS Summary] A rally attended by more than 15,000 people was held at the No. 2 State High School Sports Grounds in Haka on 3 June to support the national constructive development works of the State Law and Order Restoration Council, SLORC, and to denounce "destructionists."

U Shar Ok from Pyidawthar Ward acted as chairman of the rally. Addressing the rally, he applauded the SLORC's achievements in implementing the 12 political, economical, and social objectives. He noted: "The people are saddened by the acts of national traitors in their attempts to undermine stability, peace, and tranquility." He said "it is our unavoidable duty to annihilate the destructionists definitely." He urged the people to support the SLORC's constructive acts and denounce the destructionists.

After the chairman's address, Daw Aye Myint Khine from Pyidawthar Ward proposed a motion to support the SLORC's national constructive development works and denounce "destructionists." The motion was seconded by U Vum Htio from Zaythit Ward and people attending the rally. The rally ended with the supporters chanting slogans.

Burma: Article Accuses Suu Kyi of Craving 'Power'

BK1306145796 Rangoon KYEMON in Burmese 10, 11 Jun 96

[Article in two installments by Kaytu Nilar: "There Are Wounds on Thumana's Back"]

[FBIS Translated Excerpt]

[10 Jun, p 6]

If I draw a conclusion about the recent undisciplined, anarchic, and defiant activities I could definitely say they were aimed at destroying the peaceful political,

economic, and social state of the country and the people to satisfy the neocolonialists. In other words, it is a treacherous act by an eccentric and power-crazy group.

The people are confused by the kindness and consideration shown by the Defense Services that are safeguarding and defending the state as a national duty. Ordinary patriotic Burmese have come to despise the instigations; the activities to return the country into servitude; and the objection to and prevention of foreign assistance called for by those that are envious of the political, economical, and social developments that are recognized internationally (except by the colonialist group).

Another step taken by the group is choosing the path of "dialogue or utter devastation." The people firmly believe that the time is ripe for the state to take firm action to prevent the development of a second episode of nationwide unrest like the four eights [8 August 1988] disturbances, on which internal and external forces collaborated.

The entire populace has been depressingly saying to this day that "there are wounds on Thumana's [not further explained] back" concerning the political, economical, and social catastrophes of the four eights disturbances. I would like to ask whether the eccentric and power-crazy group knows that the people are disgusted and opposed to a second episode of nationwide unrest like the four eights disturbances.

If the applause of a few people is optimistically taken as the entire public's support for a conspiracy to devastate the country, they should bear dire consequences.

Whatever it may be, will they hear the people's agonizing voices saying "there are wounds on Thumana's back" whenever they feel the scars of the four eights tragedy? [passage omitted reiterating the causes of the 1988 disturbances]

U Tin U and Daw Suu Kyi were prominent characters among the leaders during the disastrous four eights era. U Tin U joined the Army as a second lieutenant on 26 February 1946, became Central Military Command commander on 19 September 1964, was promoted to Army vice chief of staff with the rank of brigadier general on 20 April 1972, and became a general and the Defense Services chief of staff on 8 March 1974. He was chairman of the Burma Socialist Program Party's [BSPP] 14th Party Division and a BSPP Central Executive Committee member. During the BSPP government, he resigned as defense minister and Defense Services chief of staff on 6 March 1976 because of his wife's corrupt acts. He was later charged with treason for withholding information on an abortive coup and sentenced to seven years in prison under Section 124

of the Criminal Law. After his release from prison, he joined former Premier U Nu's League for Democracy and Peace (Provisional) as secretary general and was defense minister in U Nu's parallel government during the four eights disturbances era. He was also vice chairman of the former Military Commanders Association (Provisional). He was one of the prominent figures during that period and was part of what was known as the big four along with U Nu, U Aung Gyi, and Daw Suu Kyi.

U Tin U, as a former Defense Services chief of staff, knows very well about military discipline. During the four eights disturbances, however, he supported the deserters from the Navy and the Air Force who participated in the demonstrations. That constituted physically trying to disintegrate the Defense Services. As a former military leader, he knew how severe this crime was according to military discipline. It showed his jealousy and power-craziness.

After the State Law and Order Restoration Council [SLORC] took over state responsibilities on 18 September 1988 in accordance with Notification No. 1/88, U Tin U, with his pessimistic outlook, continued to engage in antigovernment and antimilitary activities, eventually transforming himself into an alien-influenced ax handle. He wrote letters to the Indian external affairs minister dated 30 December 1988 and to the foreign ministers of Thailand and the United States of America dated 13 February 1989 in his capacity as chairman of the National League for Democracy [NLD]. [passage omitted — details of letters]

If the letters are carefully analyzed, it is unbelievable how a former Defense Services chief of staff and a person of such high military stature could seek foreign assistance to solve the country's internal affairs. Even an enlisted man would not dare to do this. This indicates a poor personality; he should die of shame. His acts revealed that his political character is nothing but jealousy and power-craziness.

[11 Jun, p 5]

I would like to explain the character of the late national leader General Aung San's daughter Daw Suu Kyi, also known as the stunt actress of modern Burmese politics, the West's fashion model, the National League for Democracy's Lady of the House, or Mrs. Michael Aris.

Daw Suu Kyi resided abroad after marrying Englishman Michael Aris but she came back for a short while to nurse her ailing mother. During that time, the four eights disturbances broke out and she was hurled into the political arena by former expatriate politician U Htwe Myint and former Burma Communist Party members

who were looking for a political figurehead. She also met and held talks with U.S. Congressman Stephen J. Solarz, member of the Foreign Affairs Committee and chairman of the Southeast Asia and Pacific Affairs Subcommittee. I vividly remember that when the late journalist Ahtauktaw Hla Aung interviewed her, she said she would not do party politics, she would not form a political party, and she did not want to give speeches. She eventually became the secretary general of the NLD and went around harshly attacking the Defense Services that her father created with his sweat and blood. I do not know whether she had studied the noble traditions of the Defense Services during the independence struggle and after independence when she branded the military "fascist armed forces" and "an Army defending a group of old men." These words are akin to dividing the military. [passage omitted on her activities prior to her house arrest]

When her activities became more daring the government instituted a restraining order and put her under house arrest. In accordance with the country's stable political situation, her restriction was lifted. One sad thing, though, was that the majority of NLD members including Daw Suu Kyi believed she was released because of international pressure. This lack of understanding that the State Law and Order Restoration Council lifted the restriction due to its national political outlook showed they were politically influenced. At a news conference the following day, she issued a statement calling for "dialogue or utter devastation." Later she met and held talks with congressmen, diplomats, and UN human rights officials and ambassadors. She then recalled all the NLD delegates attending the National Convention in order to undermine the ongoing National Convention. She held illegal roadside forums every Saturday and Sunday evening. These became the focal point of antigovernment attacks. Daw Suu Kyi's words revealed that she would not think about the development of the country or people until she and her party gained power. In fact, she is giving priority to herself and her party over the country and people. Furthermore, her statements — "international investors should avoid Burma, tourists should stay away during Visit Burma Year 1996, ASEAN should not allow Burma to become a member" — depict her "sour grapes" attitude. I should say Daw Suu Kyi and the NLD are preparing to follow the path of "utter devastation." News of the plan has been spreading faintly since early May — the meeting of elected NLD representatives to mark the sixth anniversary of the elections on 27 May 1996, the drawing up of a constitution, the formation of a parallel government and its recognition by international colonialists, and demonstrations in Rangoon. External broadcasting stations have joined in the propaganda. Even now, these

stations are shamelessly and unscrupulously meddling in Myanmar's [Burma's] internal affairs.

These acts evidently prove this political party and its leader's attitude toward the country and the people. Daw Suu Kyi and her party's replaying of an old broken record — calling on the whole world to isolate Burma; the lack of democracy and human rights — is getting disturbing.

To summarize Daw Suu Kyi's political character, I should sadly say that although she is our national leader General Aung San's daughter, she has become a tool of neocolonialists engaging in acts contrary to her father's noble antifacist patriotic spirit and pursuing the path of dialogue or total devastation.

Similarly, the NLD that accepts the leadership of neocolonialist-influenced Daw Suu Kyi is formed of people who do not trust each other and have concealed their differences. The NLD dare not define its party policy, which is like a political spirit, and do not have specific political objectives. Daw Suu Kyi is the party's political objective, Daw Suu Kyi is the party's basic political policy, and Daw Suu Kyi has also become the party's Central Executive Committee. Evidently, the NLD means Daw Suu Kyi.

Daw Suu Kyi, surrounded by her group of former leftist and rightist old politicians and old nationalists, is opposing the government, dividing the people and the Defense Services, undermining the National Convention, criticizing national unity, hindering economic growth, and trying to destroy the national economy. There is nothing left to do but kick out this political character that is trying to create another four eights situation.

People today will prevent the four eights situation from reoccurring. [passage omitted on the events of 1988]

At present, the SLORC's implementation of the political, economic, and social objectives in view of the three main national causes [nondisintegration of the union, nondisintegration of national solidarity, and the perpetuation of national sovereignty] have put the people on the path of obtaining political, economic, and social stability.

I can definitely say that the entire populace will despise, look down on, and oppose the acts as well as the person inciting the acts that would destroy the current favorable conditions and put the country into another four eights situation and into chaos. The people are saying: "There are wounds on Thumana's back."

Burma: Article Urges Suu Kyi To Return to Britain
BK1306080696 Rangoon THE NEW LIGHT OF MYANMAR in English 12 Jun 96 p 5

[Article by Kaythari: "Democracy Is Not Power"]

[FBIS Transcribed Text] I am a school teacher. We teachers have to teach our pupils with full cetana [goodwill] so that they may become good, patriotic people and intellectuals and intelligentsia. Every time I see students pursuing education peacefully, I am filled with joy and pleasure. By training and nurturing the children carefully to pursue education peacefully and become educated persons and patriots, I am fulfilling my historical obligations.

Yes! In order to fulfill my historical obligations, I am teaching and nurturing the students with full cetana and with zeal and perseverance, so that they will become good and able persons. The reason why I have to fulfill my historical obligation is because we ourselves once got caught in the quagmire of strikes and demonstrations. We had discarded the cetana of our parents and teachers and had been instigated by our surrounding to take part in the demonstrations. Beginning from the year we were in the ninth and tenth standards, we took part in the strikes. Being youths; we were very eager and active. If we wanted to do something there was no stopping us and went rights ahead despite being stopped by the elders. Those who organized and led us were senior students and they also included some senior girl students. We enjoyed very much but we did not know the real reason for staging the strikes and demonstrations and for whom. We were told that it was to fight the colonial education and to oppose oppressions and suppressions and so forth.

We heard that the senior students who organized and led us had gone underground. We had a high opinion of these students and thought them to be very brave to have gone underground and we regarded them as heroes.

After that, I had a chance to read the book, "The Fast Days of Thakin Than Tun". Then only did I realize that I realize that our leaders were the followers of the BCP [Burmese Communist Party] and were UGs [underground] in charge of above-ground activities. We also came to understand that we had made efforts for Thakin Than Tun's BCPs in the jungles to gain power. Only then did we visualize the political trickery played on us and that we had been used.

Under cover of fighting against colonial education and opposing oppression and suppression which we were made to believe, the main aim was for the BCPs to gain power from behind the scenes and we became aware of this only then. If we only had known that the laying of

mines by those from the jungles, extortion, murder and burning down villages were that acts for the BCP to gain power we would not have taken part in the strikes and demonstrations. I read in that book that Thakin Than Tun's group brutally killed these UG student leaders along the Myayabin range on the Bago Yma. They hit them in the throat with staves and then brutally slit their necks and washed their own feet with their blood. The tombs of the student leaders at Myayabin range make our hearts tremble with grief.

Prior to reading the book on the Last Days of Thakin Than Tun, we had taken part in this and that demonstrations. We had taken part in U Thant demonstrations, SEAP [Southeast Asia Peninsula] Games demonstrations and up to Hmaing Centenary demonstrations. I came to know that these demonstrations were held by the groups from within and without the country, leftists and rights and above-ground and underground force regarding the governments the common enemy and to bring down the government by force and take over power. We had to repent only afterwards our misdeeds.

At the four-eight disturbances [8 August 1988], we did not take part any more. We came to know after studying that the leftists and rightists, forces within and without the country and above ground and underground forces were hand-in glove to wrest state power under the system of whoever gets it takes it. Later on, some Western embassies came to meddle in it, warehouses were ransacked and looted, the wildcats from the jungles destroyed mills and factories and the situation went so far that there were decapitations of people by own race of people.

We have read about the Peasants' Uprising led by Saya San. It was the uprising by the peasants as they could no longer bear the oppression by the British Government. Of the revolting peasants who were caught most of them were beheaded by the British Government and their decapitated heads were displayed on a bench in the compound of Pyay Police Station. It is said that this was done to frighten the Myanmar [Burmese] so that they would no dare to revolt against the British government. I noticed that such acts took place again during the four-eights period. In Yangon [Rangoon] alone about 70 poor people were beheaded. The heads were displayed on benches, dangling on poles. It can be said that this was done to frighten the people not to question and argue about the four-eights disturbances.

After the four-eights disturbances, the demands made for democracy and human rights became louder. Up to date, the people of four-eights are still shouting for democracy and human rights. Those who had said that

they were not power crazy and would not form a party in public, were seen practice to demand power as though were demanding democracy.

I came to understand that the wife of Michael Aris who got married in England and lived there and mother of Ken and Alexander, Ma Suu, owed her allegiance to the Western Bloc. The lives of thousands of students who believed in their sweet talks were ruined at Manerplaw and in the other country. The students who realized their mistakes and returned to the country were sneered at, meaning they did not like the idea of their returning to the bosom of their parents. When the parents and the public came to know that the leaders of four-eights disturbances had inveigled the students to go outside the law so that they could be used by the Western Bloc, they became very angry. The BCPs, in order to come above-ground and take over the reins of the country and foreign neo-colonialists in order to be able to put their puppet on the throne and pull the strings from behind, make use of Ma Suu. In reality, just ponder over whether the BCPs and other leftist elements made use of Ma Suu and Ma Suu made use of them. The real power of Ma Suu is not leftists but rightists liked by the West. They would make efforts to gain power by placing Ma Suu in the forefront and after that they would share the post. It is seen on careful study that they had an attitude of taking revenge on Ma Sa La which was dissolved as they were at fault as well as the Tatmadaw [Defense Services] of today in this manner.

Ma Suu Kyi had lived in a foreign country for full 28 years and I would not like to tell on hearsay how she lived there and what had happened to her. One thing which I would like to say is that if she loved Myanmar Naing-Ngan [state of Burma] and the Myanmar people so much say did she take refuge in the English bosom and wasted her time? We think that she should have come back to Myanmar worked for the betterment of the Myanmar people.

Those who like Ma Suu say that Ma Suu married an Englishman as she lived there for a long time (Ma Suu herself has said this). Why she lived there for a long time was because she was not given permission to return to Myanmar. What is wrong in getting married to an Englishman. They say the British are a big race. Regarding this, I would like to present one thing which I know.

On 18 September 1990, an exhibition on Myanmar Political Objectives was held at the Tatmadaw Hall. I had a chance to read an article exhibited there. It was written that a responsible official urged Daw Khin Kyi, Ma Suu's mother who was at that time Ambassador to India, to send Ma Suu back to Myanmar Naing-Ngan.

To send her back to Myanmar fearing that she might get married in a foreign country and she would be taught to become a big scholar. Daw Khin Kyi promised to make arrangements to send her back as mentioned in that article. In reality Ma Suu did not come back to Myanmar. It looked as though Ma Suu's mother did not have the power to bring her daughter back.

We would like to cite Prime Minister of Pakistan Benazir Bhutto as an example. Benazir Bhutto had been educated in England and had lived in England for a long time. Her father Ali Bhutto had been a Prime Minister and later he was arrested and put to death. Benazir together with her mother, continued to engage in politics and she was put in jail in Pakistan. When Pakistani president Ziaul Haq died in a plane crash, the Vice-President announced that elections would be held. Benazir Bhutto who could not live in Pakistan but lived in England, returned to Pakistan.

Not long after returning to Pakistan, Benazir Bhutto got married. Foreign newsmen asked her why she got married in such a haste. She replied that she would take up politics and when she goes on campaign together with menfolk there would be no cause to talk about her if she got married and retained her composure and dignity. She also said that she got married in accordance with three points — (1) her spouse must be a Pakistani national; (2) must be of same religion (Islam) as her; and (3) one who does not meddle in her political affairs. All those who heard this came to give her great respect.

It became more vivid that Ma Suu stayed abroad for a long time and got married to a foreigner and even came under a foreign influence. At the end of the four-eighty disturbances, Ma Suu, who said she would return to England for the sake of education of her two sons, after meeting with US congressman Stephen Solarz in September 1988, made efforts to form an interim government. It looked as though she had calculated on becoming leader of the interim government.

Nearing the end of 1995, US Ambassador to the United Nations Madeleine Albright came and met Ma Suu. After that she started opposing the National Convention. She made use of her power to order her people to boycott the Convention and to quit. It can be said that whenever her spouse and her children come from abroad they bring directives from the Sayagis [masters] of Western Block. It is heard that there are criticisms made that diplomats and foreign correspondents are those who are closely supervising and giving her advice.

The usage four-eighty is designated by BBC. It was BBC which gave directives for staging strike simultaneously in the entire country on 8-8-88. The date 27 May 1996 is the sixth anniversary of the election. BBC announced

before-hand that the National League for Democracy [NLD] would hold a convention that day. This was to give orders to Ma Suu. Why I can say this is due to the fact that BBC gave the verbal orders about one month in advance and the NLD acted accordingly.

In the third week of May, Ma Suu told BBC that in holding a constructive meeting, the concept for negotiation is no longer workable and no longer in fashion and the international sphere should approach through another method. What she meant to say was that there was no way to make arrangement for her to meet with Nawata [State Law and Order Restoration Council] and solve the problem and no way to get power with that method and that the West should use some other methods. All those who heard knew that she meant to say that Myanmar should be attacked using military force to put her on the throne.

On 26 May, a conference was held at Ma Suu's house with a dozen of NLD members. Although all meetings are said to be in order if 12 percent of all those who are eligible are present at the meeting, Ma Suu did not seem to take notice nor does she seem to care about the existing order, announcements, directives and laws to be abided by all parties and organizations.

When BBC aired at night the speech delivered by Ma Suu at the meeting, it mentioned as follows — Daw Aung Suu Kyi has presented an new way for discussing with the Nawata. It was like giving a directive not to abandon the holding of discussions known as dialogue.

On 7 June, the BBC made another announcement, saying that although the Nawata has prohibited the holding of public lectures in front of Daw Aung Suu Kyi's house on Saturday and Sunday evenings, the NLD officials and Daw Aung Suu Kyi will continue to hold public lectures and gave instructions to disobey orders and to oppose the law. The Nawata is preserving peace and stability in the State by lawful means and directives while the BBC and VOA (neo-colonist group of West) are giving instructions to Ma Suu and her followers, inciting them to break the laws in order to cause disturbances.

The entire public, including us, are supporting nation building tasks and denouncing the destructionists on an extensive scale in all parts of the country. It is time when the entire public desire the betterment of the country by working constructively and no longer accepts foreign destructionists and minions within the country who are sending decoys to fight and unanimously voiced at mass rallies.

Hence, the public wish to live in peace and desire the development of Myanmar Naing Ngan. They want

to make effective user of genuine democracy which would assure the public the right to make efforts for the development of the country. Therefore, it is time Ma Suu came to understand the attitude and the real desire of the Myanmar public. If so she should abandon the existing ways of her being under foreign influence to cause disintegration of the State and to return peacefully to her family in London. As for us, we wish to continue with our peaceful teaching work. Ma Suu please go back. Democracy does not mean power.

Burma: Envoys, Watchers View Expected Crackdown on Opposition

K1406043096 Bangkok THE NATION in English
4 Jun 96 p A9

Article by Aung Zaw: "Burma Activists Brance for the Wrath of SLORC"]

[FBIS Transcribed Text] In 1756, Dagon was renamed Rangoon (Rangoon) by Burma's powerful monarch Alaungpaya. Rangoon" basically means "end of strife". Ironically, however, it seems strife will never end in Burma.

Last weekend, approximately 6,000 people gathered at the house of opposition leader Aung San Suu Kyi to hear her speak. The people who showed up "deserved an honorary award" said Kyaw Linn, one of those in the crowd.

The reason: The ruling junta, known as the State Law and Order Restoration Council (SLORC), passed laws last week that empower the Home Ministry to ban Suu Kyi's party, the National League for Democracy (NLD), from holding gatherings at her house on the grounds that they obstruct the government-sponsored National Convention's efforts to draft a constitution.

The new laws, which mandated fines and prison terms ranging from five to 20 years to those found guilty of violating them, were introduced by the SLORC soon after Suu Kyi announced plans to draw up a constitution during her first congress.

An illegal regime passing laws to outlaw an elected party is like handing out speeding fines at Le Mans," commented one Western observer who recently returned from Rangoon. The NLD won a landslide election in 1990 but the result was ignored.

Almost 300 of Suu Kyi's supporters and members of the NLD were detained prior to last weekend's gathering, though it is believed that half of them including some students have since been released.

Those released, however, remain under strict surveillance and face rearrest. Popular comedian Thu Ya, bet-

ter known by his nickname Zargana (Tweezers), was said by dissident sources to have been rearrested but this could not be confirmed.

One activist who was released last week said: "I am always being followed. I don't feel secure."

Rangoon sources estimated that at least 40 followers of Suu Kyi, including two aides, were still in Insein jail. In interviews last week, Suu Kyi charged some of the delegates were released on the condition they resign from the party.

Suu Kyi said that despite the crackdown, her party remains well-organised and united. While the SLORC has so far refrained from taking any action against Suu Kyi's gatherings, it doesn't mean that the junta's leaders will continue tolerating it, SLORC-watchers said.

"I will be very surprised if they don't launch a crackdown soon," said a Bangkok-based diplomat. She speculated that the SLORC leadership is now discussing what steps to take next. "There could be some disagreements among the leaders of SLORC, although they are certainly united when it comes to destroying the NLD and Suu Kyi," she added.

On Monday, the SLORC-controlled press warned that restraint by the government should not be mistaken for leniency.

A veteran journalist in Rangoon noticed that the junta seems to be content for now merely keeping an eye on NLD members and Suu Kyi supporters.

"Sooner or later they will take action," he added.

He believes that the international outcry over SLORC's recent crackdown and Washington's decision to dispatch two envoys to the region prompted SLORC to hold off on taking action last weekend.

Is the junta worried about the repercussions from U.S. and international condemnation?

"Burma's leaders remain confident," commented a Bangkok-based diplomat. "They know ASEAN is not going to rally behind Suu Kyi," he said.

A Burmese dissident and member of the All Burma Students' Democratic Front [ABSDF] said: "ASEAN represents not only government officials, but also the 470 million people in Southeast Asia. This regional grouping should show its support and solidarity towards the people of Burma."

A Western diplomat predicted that a crackdown will be launched even before ASEAN holds a meeting in July, which Burma is keen to attend. The diplomat expressed

concern over the fate of Suu Kyi and the NLD's senior leaders.

The SLORC press has told Suu Kyi "to go home". Suu Kyi lived in England for many years and is married to a Briton. Aung Naing U, a leader of the ABSDF said some dissidents are speculating she will be deported to London.

Having declared 1996 "Visit Myanmar Year", the junta must be careful, however, about how it deals with the opposition. Troops opening fire on democracy activists in the streets of Rangoon wouldn't do much for the image of their country as a tourist destination.

Suu Kyi's stand over the last two weeks has reinforced her popularity in the countryside. Sky-rocketing prices are another factor.

"You see some people are very rich, there is a huge gap. People want change," said the Rangoon journalist. Analysts and activists in Rangoon said no one but Suu Kyi can challenge the regime. "Those who challenged the SLORC before were either cowed, killed or imprisoned," one said. "Because of her unique position and political background, the SLORC is reluctant to take strong action against Suu Kyi." Suu Kyi's father was Gen. Aung San, a national hero and founder of the armed forces.

In an editorial, the New Delhi-based THE ASIAN AGE wrote: "Though unarmed, she is the one who holds the advantage in the war of nerves. This, and only this, is the fragile shield behind which thousands of Myanmarese [Burmese] have taken cover in the unequal fight for democracy."

At last weekend's gathering, Suu Kyi told the crowd: "This is a concrete demonstration of support for the NLD by the people. I would like to thank all our supporters for their presence here."

Although Suu Kyi said she remained committed to bringing democracy to Burma, she refrained from direct criticism of the regime. "We never said a word to undermine the stability of the state," Suu Kyi told the crowd, referring to the new laws.

Witnesses said that while the SLORC did not disrupt last weekend's gathering, they noticed the absence of barricades and traffic police, who previously helped ease human and vehicular traffic on University Avenue.

Many see this as an omen, an indication that the junta is preparing for a fresh crackdown.

To some Rangoon residents the situation is very similar to 1988 when troops withdrew from public and allowed anarchy to take over.

When the soldiers moved in to restore order thousands of pro-democracy demonstrators were killed.

The military rulers have made it clear that they no longer want to hear Suu Kyi's speeches. But Suu Kyi's supporters remained undaunted, chanting "democracy will prevail." The junta has vowed this will never happen. Democracy, and its supporters, according to SLORC, are common enemies.

Burma: Commission Accepts Resignation of Two More NLD MP's

BK1306143096 Rangoon Radio Myanmar in Burmese 1330 GMT 13 Jun 96

[FBIS Translated Text] U Tint Lwin of the National League for Democracy [NLD], who was elected as People's Assembly representative from the Minhla Township Constituency-1, Pegu Division, and U Nay U of the NLD, who was elected as People's Assembly representative from the Lanmadaw Township Constituency, Rangoon Division, have freely submitted their resignations, citing health reasons and the lack of desire for party politics. The Multiparty Democratic General Elections Commission has accepted their resignations in accordance with Section 11, Subsection E of the People's Assembly Election Law.

Burma: 21 Insurgents Reportedly Surrendered in May

BK1306152396 Rangoon Radio Myanmar in Burmese 1330 GMT 13 Jun 96

[FBIS Summary] Altogether 21 insurgents surrendered in May 1996 after realizing the goodwill of the State Law and Order Restoration Council and giving up their armed struggle. Ten Karen insurgents, together with one M-16 automatic rifle, one BA-72 automatic rifle, one AK-47 assault rifle, four magazines, and 98 rounds of assorted ammunition, and six ABSDF [All Burma Students' Democratic Front] insurgents surrendered in the southeast command region. Five ABSDF insurgents surrendered in the northern command region.

Brunei, Malaysia & Singapore

Singapore

Singapore: 'Acute' Japanese Concerns Over PRC 'Threat' Viewed

BK1406083196 Singapore BUSINESS TIMES in English 14 Jun 96

[Editorial: "How Japan can help China" — received via Internet]

[FBIS Transcribed Text] Japan has long been ambivalent about the prospect of China developing into an eco-

nomic superpower — seeing it as both a challenge and a threat. This ambivalence is becoming acute now that the Japanese think China may emerge as a military superpower too.

Defusing potential tensions between the two countries will require a political and diplomatic balancing act on the part of both Tokyo and Beijing. The Japan Forum on International Relations, one of several such quasi-official advisory bodies in Japan, recently advised Prime Minister Ryutaro Hashimoto that China was showing signs of wanting to become a "regional superpower" and of seeking "hegemony."

Fortunately, this forum of political and economic leaders was at pains to warn against any policy of confronting or isolating China. While the advisory group cites recent tensions across the Taiwan Strait as well as China's policy in Tibet, the most important factor driving Japanese fears of hegemonist tendencies in China has to do with neither Taiwan or Tibet but with Japan's own concerns over continued security of access to vital sea lanes. Whenever China mentions its claim to the Spratly Islands or asserts its presence in the East China Sea, the Japanese worry to the point of neurosis.

Through the relatively narrow sea between the Philippines and Taiwan pass countless millions of tonnes of raw materials drawn from all over the world for processing in Japan into finished products. And huge volumes of exports return through these same sea lanes.

Freedom of passage in these sea lanes is underwritten by the U.S. Navy, but if ever that were to cease to be the case, Japan's acute strategic and economic vulnerability would be exposed. It is small wonder that in these circumstances — and this should come as no surprise to Chinese leaders — Japan has opted for increased security cooperation with U.S. forces in the light of recent events involving China.

Significant in this context was the conclusion of the study group that Japan must achieve some form of "strength" in order to influence the process of integrating China into a regional security regime in East Asia. Such strength can only be reached through the medium of enhanced Japan-U.S. security cooperation, the report concluded.

Japan may not agree with all aspects of the U.S. approach toward China (on issues ranging from human rights to copyright), but if there is one area where Tokyo sees absolutely eye to eye with Washington, it is over the need to maintain freedom of navigation in East Asia. Beijing will inevitably provoke the very policy of "containment" that it wishes to avoid if it plays upon U.S.-Japan sensitivities on this issue.

Chinese sensitivities (subhead)

Indeed, the fact that the Japan Forum on International Relations employed words such as "superpower" or "hegemony" in the context of China illustrates just how big a shift there has been in Japan's perceptions of its potential enemies since the end of the Cold War. It can hardly be in China's interests to engage in the kind of provocative actions which may push Japan to re-emerge as a military superpower in its own right.

Fortunately, at least some Japanese politicians and diplomats are attempting to understand Chinese sensitivities. The forum described China as a nation that is engaged in an "agonizing search for a suitable role (of) international independence." The report adds that Japan should thus adopt an understanding attitude and help integrate China into the international community. These are welcome sentiments. It will require at least several more decades of political stability in East Asia for China's economy to develop to maturity. It would be foolish on China's part to allow nationalist sensitivities to jeopardize this process.

Cambodia

Cambodia: Australian Ships Arrive for Joint Exercise

LD1306183796 Melbourne Radio Australia
in English 1100 GMT 13 Jun 96

[FBIS Transcribed Text] Two Australian navy patrol boats have arrived at the Cambodian military port of Ream to take part in a joint naval exercise between the two countries. An Australian embassy spokesman in Phnom Penh Major Simon [word indistinct] says the patrol boats, Launceston and Dubbo, which are based in Darwin, docked at Ream naval base near the southern port city of Sihanoukville. Major [word indistinct] says the patrol boats, manned by 18 sailors and three officers, will join Cambodian vessels tomorrow for non-combat exercises, such as rescue drills. He says the Australian vessels were mainly on a goodwill visit, noting that the ships will also be present for the official handover of an Australian-funded naval workshop in Ream.

Cambodia: King Reportedly Recovers From Partial Paralysis

BK1406075996 Phnom Penh National Radio of
Cambodia Network in Cambodian
0500 GMT 14 Jun 96

[FBIS Translated Text] According to a report, His Majesty King Norodom Sihanouk Varaman, king of the Kingdom of Cambodia [KoC], is expected to return to the KoC at the end of this week.

Sihanouk was treated for partial paralysis which struck him three weeks ago in Beijing. He has since recovered. His doctors have advised him not to work hard or worry after he returns to the KoC. The Chinese doctors have also advised him not to take oily food and to avoid alcoholic beverages.

Despite the doctors' advice to relax, the king will be arranging to celebrate Her Majesty Supreme Queen Monineat Sihanouk birthday next Tuesday. He also plans to meet with Thai Prime Minister Banhan Sinlapachai, who will be visiting the KoC next week. In addition, he will attend Buddhist funeral rites for the late Samdech Chakkrei Nhoek Chulong, his old friend.

Cambodia: King Sihanouk Again Postpones Plan To Return

*BK1406113196 Hong Kong AFP in English
1127 GMT 14 Jun 96*

[FBIS Transcribed Text] Phnom Penh, June 14 (AFP) — King Norodom Sihanouk of Cambodia, angered over information published by a French news magazine, Friday cancelled his plans to return home from China this weekend.

The 73-year-old monarch, in Beijing for medical treatment, said he would not return home until a report in the weekly *Le Point* had been clarified.

King Sihanouk, in a letter to his son, first Prime Minister Prince Norodom Ranariddh, said the magazine published a story on June 1 that said second Prime Minister Hun Sen did not want him to live in Phnom Penh anymore, but rather in Beijing or Pyongyang.

The king has residences in both capitals and, prior to returning to Cambodia after a long-running civil war between his resistance movement and Hun Sen's then-Vietnamese-backed government, lived there in exile.

In the letter released by the palace, the king asked that the co-premiers urgently ask *Le Point* where the information attributed to Hun Sen came from.

"While waiting for this affair to clear itself up, I must postpone my return to our homeland previously scheduled for June 16," King Sihanouk said.

A senior advisor to Hun Sen said he was not aware of the co-premier making any such statement to *Le Point* or any one else.

"As far as I know, Hun Sen has never said or thought that," Om Yien Tieng said. "It was Hun Sen who invited the king to come back to the country first (after the war officially ended).

"All of us need His Majesty the king here for national reconciliation."

The relationship between the king and Hun Sen, who are deferential to each other in public, has (been strained) several times in the recent past.

The most notable incident occurred last year when Hun Sen demanded the arrest and imprisonment of the king's half-brother Prince Norodom Sirivut, who the co-premier accused of plotting to kill him.

After a humble entreaty from King Sihanouk, Hun Sen agreed to allow the prince to be exiled to France without having to face his trial at which he was sentenced to 10 years in prison.

King Sihanouk's decision to postpone his return marks the second delay in his homecoming.

After leaving for a state visit to France in March, the king went to Beijing for much-needed cataract surgery. He then cancelled the surgery to return to Phnom Penh to soothe a growing crisis between Hun Sen's Cambodian People's Party and the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party led by Prince Ranariddh.

That return was delayed when the king suffered the bout with paralysis which forced him to enter a Beijing hospital.

The monarch had hoped to return to Cambodia to celebrate the 60th birthday of his wife Queen Norodom Monineath Sihanouk on June 18.

Cambodia: Hun Sen Hails Success of Dry-Season Campaign

*BK1406083796 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 14 Jun 96*

[FBIS Translated Text] On the afternoon of 13 June at the Defense Ministry, Samdech Hun Sen, second prime minister and co-commander in chief of the Khmer Royal Armed Forces (KRAF), presided over the closing ceremony of the seminar to sum up the 1995-96 dry-season military work and the KRAF work.

Speaking on that occasion, Samdech Hun Sen stressed that the 1995-96 dry-season activities clearly attested to the capability and close cooperation of our KRAF, National Police Force, all levels of administrative officials, and militia units. They assisted in smoothing out the military and security situation to ensure the peaceful living of the people and the national restoration work.

Samdech Hun Sen said that this victory was greatly significant and constituted an effective means for routing the perfidious maneuvers of the Khmer Rouge rebels

and the extremists attempting to seize the power through military and political means.

The second prime minister stressed that the KRAF's activities during the past dry season were the duties of the Royal Government and were done for the good of the nation and motherland. This does not mean, however, that the Royal Government is a warmonger as the propaganda of the rebels and extremists claimed.

On behalf of Samdech Krompreah Norodom Ranariddh, first prime minister, and in his own name, Samdech Hun Sen expressed the firm belief that the seminar attendees will turn the outcome of their study into practical activities. He was sure they would enhance close unity, help each other wholeheartedly, and jointly strive to realize the duties to safeguard and develop our beautiful Angkor motherland toward prosperity.

Cambodia: Minister Holds News Conference on Crime Problem

BK1306112196 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 13 Jun 96 pp 1, 11

[Report by Srei Neat]

[FBIS Translated Text] The terrorists, kidnappers, and bullies who are carrying out criminal activities in Cambodia are supported by a political party and are colluding with the foreign mafia.

Sar Kheng, deputy prime minister and co-minister of the interior, told a news conference on the morning of 11 June that eight terrorist-kidnappers were arrested in Banteay Meanchey Province along with 33 weapons, a car, three motorcycles, a walkie-talkie, and some tools. He added that this group was supported by a political party whose name he could not reveal.

Sar Kheng said: This group was composed of nearly 100 men. Their cars had Army plates and they even had heavy weapons. The men will be sentenced later.

While showing pictures of the group, Sar Kheng stressed that minor bullies — including youngsters and even girls — have carried out nasty activities, gambling, bullying, and cheating in public places and schools.

According to some namelists that were captured, bullies from abroad are collaborating with youngsters inside the country to launch these activities.

Sar Kheng's news conference was seen as an attempt to publicize wicked activities such as robbery, kidnapping, murder, and malfeasance among youngsters by using the press. This will serve the public better than for him to answer question from MP's on the same subject.

Sar Kheng added: We have activities like robbery, murder, and kidnapping that are of a terrorist nature; the activities of bullies; and the advent of the foreign mafia to conduct activities in Cambodia. These activities have been organized by terrorists outside and inside the country. Networks for smuggling drugs and counterfeit dollars into the country have also been organized.

Some analysts think the authorities concerned do not seem capable, strong, or reliable enough to deal with the problems caused by these crooks.

Sar Kheng said that there are five causes. First, the loophole in the law that enables crooks to carry out these activities and the fact that law has not been strictly respected. Second, the arrival of foreign culture, especially improper and poisonous culture, that has contaminated youths. Third, the new economic order has evolved very quickly; we have not yet adjusted to it and corruption has not been strictly dealt with. Fourth, recent political developments that have affected public security in general. Fifth, the forces concerned are still limited and not strong enough to meet the requirements.

Despite all these defects, Sar Kheng said he will continue striving to crack down on these lawbreakers. He also said that improper foreign culture must be banned from Cambodia and that social control must be consolidated through the implementation of social order laws.

Sar Kheng also showed pictures and figures regarding offenders arrested by the authorities so far, including 586 thieves, assassins, and bombers; nearly 20 kidnappers; and seven drug traffickers.

Sar Kheng appealed for all people to cooperate with the authorities concerned to prevent and suppress lawbreakers effectively.

Cambodia: 'Puppet' Servicemen Urged To Remember Deadline

BK1406081896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 13 Jun 96

[Editorial: "June 15 Is the Deadline for Communist Vietnamese Puppet Soldiers, Militiamen, and Authorities in Villages and Communes To Stop Being Communist Vietnamese Puppet Soldiers, Militiamen, and Authorities or Stand Accused as Traitors Against the Nation and People"]

[FBIS Translated Text] I. On 20 May His Excellency [H.E.] Khieu Samphan, prime minister and minister of the National Army of the Provisional Government of National Union and National Salvation [PGNUNS],

issued a solemn official appeal to our nation and people in all social strata, especially the poor peasants, to realize the importance of their own roles and strength, to stop believing in the heaven and the skies, and to carry on the struggle even more vigorously; and to the communist Vietnamese puppet soldiers, militiamen, and authorities in villages and communes to definitely stop being so beginning 15 June.

II. During these 25 days from 20 May to 15 June, H.E. Prime Minister Khieu Samphan himself and several PGNUNS ministers have reiterated this appeal several times.

III. The majority of peasants, especially the poor peasants, have joyfully welcomed H.E. Khieu Samphan's appeal and have actively and dynamically participated in its implementation everywhere with a great sense of responsibility. The peasants, especially the poor peasants, can clearly see the importance of their own role and strength in the current effort to end the war of communist Vietnam, the alliance, and the two heads and to bring peace and stability back to Cambodia. The peasants, especially the poor peasants, firmly grasp and fully understand their role by expressing determination:

1. To smash the communist Vietnamese puppet authorities in all villages and communes;
2. To fight against being conscripted as soldiers and militiamen by the communist Vietnamese puppets and the two heads;
3. To energetically call on and persuade their sons and husbands who are still serving as soldiers and militiamen to return home and to not fight and die for the traitors.

Our brothers, the peasants, especially the poor peasants, have been showing a strong determination to fight with great confidence using their own strength. They are in control of their own destiny and no longer believe in the heaven and the skies. Although the outcome remains at its initial phase, the process is now making headway. The direction that it taking is correct and the target is typically strategic. It is a strategic target that is going straight at the enemy's weaknesses, hitting right at his heart: The peasants are rising up in a struggle to prevent themselves from being conscripted as soldiers and militiamen by the two heads, the communist Vietnamese puppets, and the alliance; so, where does the enemy get troops with which to fight? Now that the peasants are rising up in a struggle to smash their authorities in villages and communes, who else can the two heads use to conscript soldiers and militiamen, impose corvees, and collect their myriad taxes and duties? So, the two heads' days are numbered.

IV. As for the authorities in villages and communes that the enemy has forcibly drafted and the soldiers and militiamen that he has forcibly conscripted, they too are having a better understanding of the objective of H.E. Prime Minister Khieu Samphan's appeal, seeing that it is an appeal meant to save them. Consequently, they begin to wake up and to return to the national and people's fold one after another and they are turning the barrels of their guns against the brutes and hatchetmen of communist Vietnam, Hun Sen, and other traitors — the out-an-out lackeys of communist Vietnam and the villainous alliance.

V. We would like to call your attention to the fact that 15 June is the deadline. This appeal is meant to save. The old and new enemies, communist Vietnam, its puppets, the alliance, and the two heads have killed the nation, people, and peasants, especially the poor peasants for more than 17 years now. The boundary line is clear between patriotism and treason; between friend and foe; between communist Vietnam and its puppets, the stooges, and the Cambodian nation and people; and between saving the nation and people and betraying and killing the nation and people. There is nothing ambiguous about it anymore. So, as of 15 June, you who are communist Vietnamese puppet authorities in villages and communes, as well as soldiers and militiamen, must stop your services. If you continue, you will stand accused as traitors who have killed your nation, people, and fellow peasants. Stop now. It is for your own sake.

Indonesia

Indonesia: Suharto Receives President Clinton's Special Envoy

BK1406083596 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 14 Jun 96

[FBIS Translated Text] President Suharto has received William Brown, President Clinton's special envoy. Brown, a former U.S. ambassador to Thailand, is seeking input on the latest developments in Southeast Asia, particularly in Burma. Brown, who has been chosen by Clinton to handle the Burmese issue, is visiting ASEAN member countries and Japan. His visit began on 10 June and will end on 17 June.

Foreign Minister Ali Alatas said some time ago that Indonesia's position on the Burmese issue is clear. According to Alatas, Indonesia regards the situation as Burma's internal affair, however, he does hope that the issue will be settled peacefully, because it could affect stability in Southeast Asia.

**Indonesia: East Timor Bishop: Over 100 Youths
Arrested After Riots**

BK1406101096 Hong Kong AFP in English
0958 GMT 14 Jun 96

[FBIS Transcribed Text] Jakarta, June 14 (AFP) — More than 100 East Timorese have been arrested and questioned by police in the East Timorese town of Baucau following days of rioting there earlier this week, church sources in East Timor said Friday.

"There have been some 100 East Timorese youth being interrogated at the police post... It is a very large number (of people)," East Timor Roman Catholic Bishop Carlos Felipe Ximenes Belo said by telephone from Dili, the main town in East Timor.

Belo said that the youths were tortured and put under duress during questioning and added that they had been denied medical attention at local hospitals.

**Indonesia: PDI Chief Views Request for Party
Congress**

BK1406121796 Jakarta TEMPO in Indonesian
8 Jun 96

["Excerpts" of interview with Megawati Sukarnoputri, chairperson of the Indonesian Democratic Party, by TEMPO correspondents Bina Bektati and Hani Pujiarti in Jakarta; date not given — received via Internet]

[FBIS Translated Text] [TEMPO] Apparently the government and the ABRI [Armed Forces of the Republic of Indonesia] are lending support to the proposed congress. There is an attempt to cause a split in the Indonesian Democratic Party [PDI]. Can you comment on this?

[Megawati] We should view the problem comprehensively instead of purely treating it as an internal matter for the PDI. First, we will have a national event in 1997, and the government will start drawing up a provisional list of candidates (from the three sociopolitical parties) on 10 July. There are 12 phases of implementation of the upcoming general election. Now, we are just entering the first phase. Currently the party branches should be holding special meetings to select candidates for the provisional list.

Due to this, it is appropriate that we find out why some PDI members want to hold a new congress structurally. What is the urgency of holding a new congress. According to the party mechanism, a congress is held once every five years to elect the party leadership.

The PDI Central Executive Council press statement issued on 4 June already explained why the council decided not to hold a new congress in the near future.

[TEMPO] You said that the problem should not be viewed as the PDI's internal problem. What do you mean?

[Megawati] It is clear that the request to hold a new congress was politically engineered. Holding a congress is not something that can be done in a short time. According to newspapers reports, it will be held in Medan on 20 June.

The decision to hold a congress should come from the grassroots. There should be meetings of branch executive councils to determine whether or not to hold a congress. The PDI stated during the [1994] national consultative meeting that the term for the current PDI leadership is 1993-98. Their request for a new congress is based on the party's old 1986 constitution and bylaws. Under my leadership, the PDI uses the constitution issued at the 1994 national consultative meeting.

Even though they base their request on the 1986 constitution/bylaws, all the articles incorporated in it should be viewed comprehensively. The clearest among them is Article 29. This article states that a congress is to be held after a general election.

You know that the PDI has a total of 306 branches. It is not possible for branch executive councils to hold meetings between one and three weeks prior to 10 July. Besides, all these meetings have to be funded. So, based on these events, I feel that there has been political engineering to hold the new congress.

It seems that within less than a week, an amount of 1 billion rupiah was already available. Who provided the funds? Although I am optimistic that the funds could have come from party sympathizers, surely it would take time to raise such an amount. Perhaps, a conglomerate company was sympathetic to the congress, or maybe, if I can make a joke, a bit of Eddy Tansil's [bank swindler's] unclaimed assets has been given to the PDI. If this is true, perhaps I can say thank God. So, this is my view.

[TEMPO] You said it is clear that there has been political engineering. If that is so, surely the engineers must have arranged a certain scenario. What is your idea of the scenario?

[Megawati] Ah, you sound like a person who is searching for data. Please investigate this yourself. What I am going to explain is what I saw during my trips around the country when the PDI celebrated its founding anniversary. I noticed that the party members are well consolidated. Please carry out investigations in all regions.

[TEMPO] Can we say that the scenario is to stress the 1997 general election and leave you out?

[Megawati] He-eh... I am a very valuable person indeed, and those behind the political engineering must be very busy scheming. We are only at the first phase of a 12-phase process of general election. Therefore, I am really a very honorable person. Even though the general election has not taken place, rumors have spread to such an extent, what more if...

[TEMPO] You are portrayed as having strong support from the masses, and you are charismatic. Is that not seen as a threat to the government?

[Megawati] I should thank God for the charisma that I have if it is true that I am being assessed as such. This is because charisma is not man-made. If people say that I have a magnetic personality, all I can say is God bless.

[TEMPO] You have said that political engineering exists. Is this linked to forms circulated in the House of Representatives several months ago about you being nominated as a presidential candidate?

[Megawati] After 50 years of independence, how deep is our true political awareness and national pride? Are we mature enough to make decisions and think? In fact, Indonesia adopts Pancasila democracy. There is political dynamism. Why do we need to have the KIPP (Election Monitoring Independent Committee), PUDI [Indonesian United Democratic Party], and so on. Let us think deeply and look at all these events as part of the nation's dynamic journey.

[TEMPO] Do you mean that people are fed up with the current political constellation so they want a change, and among other things, are focusing their hopes on the PDI under your leadership?

[Megawati] We must not look at things from a narrow angle. Change always comes, and I have always said this in my interviews everywhere. We should consider current development as mainly due to globalization. Is globalization not a change? In the beginning of the 20th century, was there such an expression as the globalization era?

[TEMPO] Lately, it seems that people urgently need a change. What is your opinion?

[Megawati] Social changes always occur because of social dynamism. I used to receive questions about succession, and I said why should we be surprised about succession. This is a normal thing, the process of succession has to take place.

What we should think about and create is its mechanism. We are bound by the constitution, so do it constitutionally. It is a fact that we have had two presidents. We

cannot say we have had three or four presidents yet. We have had only two presidents in the 50 year-old republic.

If you are going to write this, please do not omit and confuse what I am saying: All mechanisms for state order are fair and normal. So I as an Indonesian citizen want the republic to last for three or five centuries. Consequently, we will have the third, fourth, fifth, sixth president, and so forth.

[TEMPO] Back to the congress issue, do you think the demand for a new congress has the backing of the government on the basis of the legal principle?

[Megawati] Actually, I am not sure about this. The government, as the patron of domestic politics under the laws on political parties — laws on political parties and the Golkar [Functional Group] — has not been mentioned.

Let us look at the Laws on Political Parties. The goal of development is certainly positive, and the word positive does not mean like or dislike [preceding three words in English]. I reject the holding of a new congress not because it is my wish, but it is based on the formality of law. The reason is that those who want to hold a congress do not refer to the party's constitution/bylaws. Clearly, the 1994 constitution/bylaws is being observed now. So how can the 1994 constitution/bylaws be suddenly shaken and how can the pro-congress members use the ones from 1986?

They claim that a new congress will completely settle issues that were not resolved at the previous congress and the national consultative meeting. So, there is a need to formulate a chronology: whether or not the consolidation process in the party is based on the 1994 constitution/bylaws. Based on state laws, a new law superseded the old one. If both exist, there could be dualism.

[TEMPO] If the new congress is held, would you attend it?

[Megawati] I have conveyed my decision. So I feel that you should refer to the party's background for the consensus that we have reached (in the PDI press release).

Indonesia: PDI Chief Protests Against Permit for Party Congress

BK1406072896 Jakarta MEDIA INDONESIA
in Indonesian 14 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta (MEDIA) — Megawati Sukarnoputri, general chairperson of the Indonesian

Democratic Party Central Executive Council, has appealed to all party members to steadfastly adhere to the party's constitution. "We are being pitted against one another. Accordingly, never do something outside the legal framework," she said in Jakarta yesterday.

The Megawati faction yesterday lodged a letter of protest with the government over a permit issued to the Fatimah faction [pro- government PDI faction] to hold a congress in Medan from 20 to 24 June 1996.

According to Megawati, the letter of protest is based on a decision by the central executive council which met on 3 and 4 June not to hold a congress in the near future because the party is facing a major task — the upcoming general election.

No decision was made at the 3 June meeting attended by the 27 central executive council members. The next day, 16 members named an organizing committee for a congress in a meeting at Hotel Wisata, while the other 11 members continued their meeting at the central executive council and decided not to hold a congress.

According to Megawati, the letter of protest is also based on the central executive council's 12 June meeting. "Thus, we adhere to constitutional procedures," Megawati said. According to Fatimah, the permit was issued on 11 June. The faction asked for the permit last Saturday, while Megawati asked the chief of the Republic of Indonesia Police on Monday not to issue the permit.

The two factions differ over the party's constitutional basis. The Fatimah faction adheres to the 1986 PDI constitution and bylaws. Article 12 (subarticle 4) of the 1986 constitution stipulates that a congress can be held at any time, while Article 29 stipulates that a congress shall be held after a general election. The Megawati faction maintains that the 1994 constitution and bylaws are in force in line with a decision issued at the party's last national consultative meeting to give the central executive council the full mandate to revise the 1986 constitution and bylaws.

Both the Megawati and Fatimah factions claim that they are supported by party branches. Every day, branches that earlier supported the convening of a congress send letters to the PDI Central Executive Council in support of Megawati.

The PDI Central Executive Council on 58 Diponegoro Avenue is controlled by supporters of Megawati. Donations from sympathizers continue to flow into the central executive council. They consist of money, rice, vegetable, and snacks.

A group of people who call themselves 'construction workers' from Cibubur yesterday presented 500,000 rupiah in cash to the central executive council.

A number of employees of service agencies in East Jakarta handed over 100 packets of snacks to the central executive council. Citizens give donations to the central executive council almost every day.

Meanwhile, Yana Dewata, general chairman of the Democrat Youth Central Executive Council, and political observer Dahlan Ranuwiharjo have urged the government to encourage consultations to settle the PDI's internal conflict.

Dahlan said a physical conflict among the PDI masses would be inevitable if the congress goes ahead. "The PDI will inevitably suffer from setbacks and the government itself will in turn be affected. Accordingly, consultations should be held so that democracy will not suffer from setbacks," the former general chairman of the Islamic College Students Movement Central Executive Board.

Yana said ironically that Suryadi, who is strongly groomed by the Fatimah faction to become general chairman in the upcoming Medan congress, has been regarded by a senior government official as having a legal flaw.

Indonesia: Daily Views TEMPO Decision, Supreme Court Integrity

BK1406060496 Jakarta THE JAKARTA POST
in English 14 Jun 96

[Editorial: "The 'TEMPO' Verdict" — received via Internet]

[FBIS Transcribed Text] The Supreme Court yesterday overturned a decision pronounced last November by the Jakarta Administrative High Court, which ordered Minister of Information Harmoko to issue a permit allowing the news magazine, TEMPO, to resume publication.

The Supreme Court ruled that the revocation of TEMPO's publishing permit is not the same as a ban, which is illegal under the 1966 Press Law. Thus, Minister Harmoko's decision to revoke the permit cannot be qualified as an arbitrary act.

For many, the verdict came as no surprise at all. They had predicted that in the current political situation there was no chance of TEMPO reappearing. For one thing, according to this argument, allowing Tempo to resume publication would not only cause the government to lose face but would also have encouraged other people to follow suit. It also could have damaged the government's reputation and eventually disrupted national

stability. Therefore, the argument goes, members of the press should remain under control and behave or they will have their permits revoked.

What comes as a surprise is the Supreme Court's ruling that a revocation and a ban are not the same thing. For many, the ruling is just the twisting of legal terminology. The revocation of a publishing permit is nothing but a ban, which means that the affected publication is forced to close.

Understandably, several critics have commented that the verdict is nothing but a political decision. But does this imply that the independence of the Supreme Court, which is perceived as the last bastion of justice in our country, has been subordinated to politics?

Frankly speaking, this is a difficult question to answer. But the fact remains that over the last several years more and more people have begun to question the integrity of the current Supreme Court. The issue of collusion in the Supreme Court that was raised recently by Deputy Chief Justice Adi Andoyo and later denied officially by Chief Justice Suryono has caused considerable damage to the Court's reputation. The TEMPO verdict will undoubtedly aggravate the situation.

But does this mean that we should lose our faith in our judicial system? We do not think so. The fact that the Jakarta Administrative Court and the Jakarta Administrative High Court had the guts to defy the powers that be and to declare that the minister of information's banning of TEMPO was illegal shows that there are still judges with the courage to challenge the system.

One should also remember that both sides — former chief editor of TEMPO Gunawan Mohamad and Minister of Information Harmoko — from the very beginning agreed to settle the matter in court, and that both agreed to respect the ruling of the Supreme Court. Now the verdict has been handed down. Disappointed with it as one may be, one should respect it and accept it as a product of the current system.

One might also regard the verdict as a reminder to the media here that the years of living dangerously still prevail. Regardless, this should not discourage the media from continuing with its honorable duty or from striving for greater freedom of expression.

Whatever the case, TEMPO is history now. For many of its faithful readers, it will be remembered as a fine news magazine which served them for 23 years with quality and enlightening reports. In the end it succumbed to the will of a political system. It tried to contest the decision and succeeded by winning two battles in court, though it ultimately lost in the third.

Yet this does not mean that the war has been lost. *In the struggle* for more democracy and press freedom, there is no end to the journey.

Laos

Laos: Burmese Foreign Minister, Delegation Arrive
BK1406110496 Vientiane Vithayou Hengsat Radio Network in Lao 0000 GMT 14 Jun 96

[FBIS Translated Text] A delegation of the Ministry of Foreign Affairs of the Union of Myanmar [Burma] led by His Excellency [H.E.] U Ohn Gyaw arrived in Vientiane yesterday for a friendship visit to the Lao People's Democratic Republic [LPDR] at the invitation of Lao Minister of Foreign Affairs Somsavat Lengsavat. The delegation was warmly welcomed at Wattai International Airport. A national radio correspondent has the details:

[Begin recording] At the invitation of H.E. Somsavat Lengsavat, minister of foreign affairs of the LPDR, a delegation of the Ministry of Foreign Affairs of the Union of Myanmar headed by H.E. U Ohn Gyaw, minister of foreign affairs of Myanmar, arrived for an official visit to Laos yesterday evening. The special aircraft arrived at the Vientiane airport at 1720.

Upon arrival, H.E. U Ohn Gyaw cordially shook hands with H.E. Somsavat Lengsavat. H.E. Somsavat Lengsavat then introduced the guest to Lao personnel present to welcome the visitor at the Wattai International Airport.

On this occasion, U Thein Han, ambassador extraordinary and plenipotentiary of Myanmar to Laos, was also present at the airport.

After that, H.E. Somsavat Lengsavat accompanied the state guest and delegation to the vans to proceed to Vientiane.

While in Laos, the Myanmar Foreign Ministry delegation led by U Ohn Gyaw, will attend the second joint meeting of the Lao-Myanmar and Myanmar-Lao cooperation committees scheduled for this morning at the Lan Xang Hotel in Vientiane. In addition, they will pay a courtesy call to Lao leaders, go on sightseeing tours to ancient places and ruins, and view Laos' economic production bases.

The Burmese Foreign Ministry delegation will spend three days in Laos before returning home. [end recording]

Laos: Thailand Opens Consulate General in Savannakhet Province

*BK1306113496 Bangkok PHUCHATKAN in Thai
13 Jun 96 p 7*

[Unattributed report]

[FBIS Translated Text] Thai Deputy Foreign Minister Charat Phuachuai and LPDR [Lao People's Democratic Republic] Deputy Foreign Minister Phongsavat Boupma presided over the opening of the first Thai consulate general in Savannakhet Province, Laos on 12 June. The move comes after the opening on 7 June of the first Lao consulate general in Khon Kaen Province, Thailand. The exchange of consular services is the outcome of an agreement reached at the fourth meeting of the Thai-Lao Joint Committee in Bangkok on 15-17 September 1994.

According to Minister Charat, Thailand chose Savannakhet as the location of its first consulate in Laos because Savannakhet is a big province with the highest economic potential and population. It serves as a link in the communications network of land, water, and air routes under development and will become a major trade center for Thailand, Laos, and Vietnam.

The Thai consulate in Savannakhet will look after the interests of Thais living in six provinces in central and south Laos: Savannakhet, Attopeu, Khammouane, Champassak, Sekong, and Saravane. The first consul general is Mrs. Phenchom Incharoensak. Besides looking after Thai residents, the consulate will also service foreigners seeking entry visas into Thailand. The service began yesterday right after the official opening of the consulate. The consulate cannot issue visas to Lao nationals — they must have authorization from the Lao Ministry of Foreign Affairs before applying for a visa from the Thai consulate through the governor of Savannakhet. Laos said it would look into the possibility of giving authority to the provincial governor to act on behalf of the Ministry.

The Thai consulate is using a temporary office at the Nanhai Hotel in Savannakhet. Thailand is waiting for a decision from the Lao Government concerning the exchange of plots of land for the construction of the office as it is impossible for Thailand to own land in Laos. Lao law prohibits foreigners from holding land.

Thailand

Thailand Denies Burma's Accusation of Involvement in Illegal Logging

*BK1006070296 Bangkok THAILAND TIMES
in English 10 Jun 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Tak — Thai authorities yesterday denied Burma's accusations that Thai authorities were involved in illegal logging inside its territory, according to a border official yesterday.

Over 2,000 tons of wood have been felled by Thai traders and local authorities in Ban Teemu, Ban Kojako and Ban Chaoya opposite Ban Wale of Phoppakra district in Tak province, Burmese authorities claimed.

They recently asked Thailand to return the logs to Burma, the official said.

Local Thai authorities have rejected the Burmese accusations, saying both Burmese and Thai authorities responsible to oversee their respective areas on the common border should increase their suppression on illegal logging.

Thai authorities have in return charged that some Burmese officials, especially the military, were involved in illegal logging.

Thailand: Checkpoints Still Obstacle in Burmese Border Talks

*BK1006092596 Bangkok THAILAND TIMES
in English 10 Jun 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Tak — Burma has failed to negotiate with Thailand over a common border checkpoint issue, but is planning to resume talks as early as the middle of this month, said a border official yesterday.

The official, however, said local Burmese authorities, led by Lt. Col. Kyaw Hlaing in the Burmese border town of Myawaddy has been preparing information for its governor before negotiations with Thailand.

During the last meeting, Thais rejected a Burmese request mainly because Burma failed to respond to a Thai proposal.

Burma requested Thailand to permit foreign tourist to travel to Myawaddy.

However, Thai authorities wanted Mae Sot's border checkpoint, opposite Myawaddy, to be a permanent checkpoint.

Today, the checkpoint is still a temporary border checkpoint.

The border official said the Thai side would ask Myawaddy governor Maung Maung Yin to reconsider Thailand's proposal.

The Burmese border town also plans to buy electricity from Thailand due to growing consumption of power in the area.

Thai authorities said they will focus on two issues when negotiating with Burma — the Thai-Burmese friendship bridge and opening a market on the common border.

Thailand: Rangoon Gives New Status, Privileges to Khun Sa Area

BK1106100496 Bangkok PHUCHATKAN in Thai 11 Jun 96 p 11

[Unattributed report]

[FBIS Translated Text] Mae Hong Son — The SLORC [The State Law and Order Restoration Council] has elevated Ho Mong to the status of special administration zone and given the Mong Tai Army the authority to administer the zone.

Ho Mong, former stronghold of the Mong Tai Army — now renamed the Mong Tai Alliance (MTA) — has been given the status of "special administration zone" to be administered by the Shan who are colleagues of Khun Sa. This information has been disclosed by a Thai national security source. The special administration zone was established in accordance with the accord between Khun Sa and the SLORC when the Mong Tai Army surrendered to the Burmese Government early last year. In the accord, the MTA has the right to administer the zone and set its own rules, as well as to collect tax and manage resources in the zone. Sixty percent of the taxes and money derived from resource management will be retained by the MTA for local development and support of its armed force, while the remaining 40 percent will be remitted to the SLORC.

After the official surrender to the SLORC on 7 January 1996, the 3,000-strong personal army of Khun Sa was transformed into a volunteer army called the Ka Kwe Ye. However, the Burmese Army has stationed five battalions of the 55th Division in Ho Mong. The battalions are under the command of Colonels Mo Heng and San Pun.

So far the Burmese military has allowed the Shan to manage resources and develop Ho Mong in accordance with the Burmese policy on development of border areas and ethnic minorities. The Burmese military has also campaigned for Thailand to reopen border points

in areas adjacent to the areas formerly under Khun Sa's control for trading purposes. The proposed border trading points included those at Huai Phung, Mai Lan, and Kiu Hok which are opposite Mae Hong Son. The Thai military, national security, and interior agencies already approved the opening of those points.

Thailand: Burmese Junta Urged To Talk to Opposition

BK1306033596 Bangkok BANGKOK POST in English 13 Jun 96 p 4

[Editorial: "Burma Dictators Must Try Reconciliation"]

[FBIS Transcribed Text] The continuing effort by the Burmese regime to intimidate the legitimate political opposition is both discouraging and troubling. The tension within Rangoon is as unnecessary as it is senseless. The offensively racist attacks on democracy leader Aung San Suu Kyi demean the generals, not their target. No criticism of the State Law and Order Restoration Council (SLORC) could belittle it as much as the junta's own actions. The rulers in Rangoon may yet succeed in their campaign to oppress pro-democracy advocates. But their campaign will destroy even the last shreds of respect for the regime.

The Burmese regime appears genuinely frightened of Mrs Suu Kyi and the ever-growing movement for freedom. No other explanation seems possible for the latest outrage. In a city where all media are under strict government control, the junta erected 10-metre billboards to "advertise" their campaign for violent dictatorship. They denounced her as a foreign stooge. She was described as the puppet of those infamous "outside influences" which totalitarians always blame when their people show a thirst for freedom.

The boot-licking Burmese TV, radio and newspapers run for the generals' pleasure had attacked Mrs Suu Kyi this way before. The new billboards were pointedly placed outside the home of the Nobel Peace Prize winner, as well as the U.S. Embassy. In one way, they simply lowered the reputation of SLORC. The Rangoon junta never has shown shame for killing, torturing, jailing or libelling its political opposition.

In another way, the billboards provided more heat to a debate SLORC seems determined to end, once again, by its repulsive violence. It seized power over the bodies of hundreds of dead pro-democracy advocates in 1988. The regime obviously feels it can maintain power by similar brutality. This stance — and not the pro-democracy movement personified by Mrs Suu Kyi — is at the core of Burma's problem.

Despite the SLORC slanders, those outside Burma have never attempted to dictate the form of government for Rangoon. That is a matter for Burmese to decide. So, too, are the leaders of the country a matter which can only be decided by the people of Burma. What the junta members are patently unable to see is that they alone do not constitute the population.

Last weekend, the regime threatened to arrest — or worse — anyone attending an unapproved political rally. The result was that a record number of Burmese, an estimated 10,000, attended the weekly rally at Mrs Suu Kyi's home. They called for negotiations with the government. They suggested alternatives to the new constitution rammed through by SLORC toadies. They rejected violence or revolution. They gathered, met, and disbanded peacefully.

The regime's reaction was more threats and more racist attacks on Mrs Suu Kyi. This must trouble everyone, most especially the friends and neighbours of Burma. It is too often forgotten, conveniently, that SLORC once asked the Burmese people to choose its leaders. When they did choose Mrs Suu Kyi and her supporters, the regime arrested most of the winners.

It is difficult for non-Burmese to know how to react to the uncivilised behaviour of the military regime. The U.S. and Japan are seeking a response. Thailand and its ASEAN allies unfortunately appear to side with the regime. It is easy to say that the insistence by ASEAN on pursuing its policy of "constructive engagement" is wrong-headed. It is a different matter to show the necessary contempt for Rangoon without threatening that regime. Even the U.S. has faced a similar problem with China, another undemocratic and often violent government.

Thai diplomacy has tried to keep an observer's foot in the pro-democracy camp. This at least shows our government is aware that the Thai people oppose SLORC's violence. Our diplomats face a difficult task in balancing national security against national sympathy for Mrs Suu Kyi. They will meet special U.S. envoys on Burma shortly. We are confident our diplomats will be able to explain Thai policy to them.

Our diplomatic policy must also take into account Thailand's own fervent support for democracy. Like other nations, we must urge the Rangoon government to talk with its opponents. The obvious way to settle Burma's problems are through negotiations. Political differences of opinion are not dangerous in Burma. On the contrary, they are a sign of health and a population concerned about the future. The Burmese dictatorship only risks the country if it believes otherwise.

Thailand: Ministry Suggests Compromise to Aung San Suu Kyi

*LD1406102596 Melbourne Radio Australia
in English 0800 GMT 14 Jun 96*

[FBIS Transcribed Text] Thailand says the Burmese opposition leader Aung San Suu Kyi is pushing too hard for democratic reforms and should be prepared to compromise with the military junta in Rangoon. The comments by the head of the Thai Foreign Ministry came a day ahead of the arrival in Bangkok of two special envoys of President Clinton who are trying to coordinate a response to the situation in Burma. Thailand wants the Association of South East Asian Nations, ASEAN, to send an envoy to Burma for talks with Ms. Suu Kyi and the junta. Evan Williams reports:

[Begin Williams recording] The director-general of Thailand's foreign ministry, (Erma Jakdeviklan), told ABC [Australian Broadcasting Corporation] Suu Kyi is pushing too hard for democracy by making maximum demands first instead of looking for long-term liberalization. He confirms ASEAN is trying to send an emissary to explain to both sides the growing concern over the stand-off and it would be negative for Burma's economic and political liberalization if it continues. He says the military is making genuine efforts to bring in a greater civilian role in politics but it must be by degree and not all at once. The senior official says Western nations should resume ties to give them leverage in Burma instead of just complaining, and give the military government time instead of fostering false hope of immediate change. Evan Williams, Bangkok. [end recording]

Thailand: Government, ASEAN Urged To Find Alternative Burma Approach

*BK1406081396 Bangkok THE NATION in English
14 Jun 96 p A4*

[Commentary by Kawi Chongkitthawon under the rubric "Think Thai": "Thailand Must Be Firmer on Burma"]

[FBIS Transcribed Text] These days it is rare to see Thailand standing up for anything. However, of late, there has been some indication of a change of heart in Saranrom Palace [The Foreign Ministry] on the situation in Burma. It seems now that the Thai government is taking a stronger and firmer stance towards this neighbouring country.

Bangkok's current position is that any further deterioration of the political situation in Burma, which might disrupt the democratization and national reconciliation process, must be halted.

The military junta in Rangoon must be encouraged to initiate dialogue with opposition leader Aung San Suu Kyi. Furthermore, Thailand also thinks that ASEAN should have a pro-active policy towards Burma as part of its ongoing efforts to integrate it into the regional and international community.

New Foreign Minister Amnuai Wirawan obviously sees eye to eye with predecessor Kasemsamson Kasemsi when it comes to the country's latest stance on Burma. The absence of opposing views from the armed forces and the National Security Council — both of whom can influence any decision on Burma — is illustrative of the broad support for this new approach.

When Amnuai meets Washington's special envoys, William Brown and Stanley Roth, tomorrow afternoon in Phatthaya, he is likely to reaffirm the Thai government's view that every effort must be exerted to further advance the process of democratisation and national reconciliation through dialogue between the junta leaders and the National Democratic League.

Thailand also believes that Suu Kyi is still the force to be reckoned with when it comes to guaranteeing long-term stability inside the country. Therefore, she must be allowed to conduct political activities peacefully and within the rule of law.

Despite its tougher stance, however, Bangkok will continue to back Burma's seat in the ASEAN Regional Forum as well as its future membership in ASEAN.

In addition, Thailand also believes there was a good reason why US President Bill Clinton chose Brown, a retired diplomat and ambassador to Thailand from 1988-92, to lead a three-man special team that visited Japan and ASEAN's members to sound out their opinions and coordinate their efforts at bringing about a peaceful transformation in one of the world's most reclusive countries.

Obviously, Washington has been dissatisfied with the lack of progress in Burma since the visit of UN Ambassador Madeleine Albright to Rangoon last September. It wants to see more concrete steps being taken towards the implementation of political reforms there.

There is presently a draft bill pending in Congress preventing U.S. companies from investing in any infrastructure projects in Burma. Granted the electoral sentiment in the U.S., in view of the forthcoming presidential elections, the bill could sail through Congress. Therefore, it would be in Washington's interest to look for an alternative that is short of the above measure.

Viewed in this light, Washington doubtlessly would like to link its current efforts with the countries in the region

to its broad strategy of pushing for a collective ASEAN-led policy that would calm down U.S. lawmakers. With the prevailing Thai attitude, Washington finds the situation encouraging and has expressed its support of this view.

The U.S. as well as other Western countries have learned from past experience the futility of clashing with ASEAN on forging a policy on Burma. It would be better to coordinate, if possible, their moves by bridging the existing gap between both sides. That way, collective pressure could be applied to SLORC [State Law and Order Restoration Council] in order for positive changes to be brought about in Burma.

But to move further in this direction, ASEAN must get its act together. ASEAN's senior officials failed to adopt a common approach on Burma during last week's meeting in Bukittinggi, west Sumatra. The outgoing chairman of ASEAN, Indonesian Foreign Minister Ali Alatas, quickly rejected the offer to be the special envoy of ASEAN. So did Malaysian Foreign Minister Abdullah Ahmad Badawi, the incoming chairman of ASEAN.

Some ASEAN countries fear that sending an envoy to Burma now would be tantamount to yielding to U.S. pressure. They also consider it as an act of interference in Burma's internal affairs.

Be that as it may, such a circumstance should allow Thailand to play a higher profile and serve as a catalyst to ASEAN's policy on Burma. In the past weeks, Thailand has already established itself as a credible country as far as Burmese issues are concerned. It must have the courage to lead and take up further challenges on this front.

Realistically, as Burma's closest neighbour, any Thai approach would be viewed with deep scepticism by both ASEAN and non-ASEAN countries. Therefore, it is imperative, first and foremost, that Thailand stick to its current position without the usual dissensions from the concerned authorities. Given time, this approach can be built upon and subsequently gain acceptance from these countries.

Perhaps the upcoming ASEAN foreign ministerial meeting, which will be held next month in Jakarta, would be an opportune time for ASEAN and its dialogue partners to discuss and review this issue. ASEAN's common position on Burma could be reflected in their joint communiqué.

All said, Thailand must look for an alternative approach towards Burma that ASEAN and its dialogue partners can support since they also face a similar dilemma. Above all, more than we would like to admit, Thailand

has a moral obligation to see to it that the Burmese peoples' aspiration to democracy, unity, prosperity and integration with the international community is fulfilled in the near future.

Thailand: Prime Minister Affirms Government 'Still Stable'

BK1106145896 Bangkok Radio Thailand Network in Thai 1200 GMT 11 Jun 96

[FBIS Translated Text] Prime Minister Banhan Sinlapacha affirmed that the government is still stable, although the coalition government would lose 18 seats in the House of Representatives. Talking to reporters after a cabinet meeting, the prime minister said that the Prachakon Thai Party's withdrawal from the coalition government would not create a problem for the government in administering national affairs. He is not thinking about a cabinet reshuffle at the moment, since the government still has a lot of work to do.

[Begin recording] [Banhan] I am confident in the stability of the government. The opposition has its duty. The opposition wants the government to collapse every day. They always create news about the instability of the government. I would like to confirm, however, that the government is still stable.

[Unidentified correspondent] What can the government show to confirm its stability?

[Banhan] Its work. [end recording]

Thailand: Finance Minister Outlines Focus During Term

BK1306035096 Bangkok BANGKOK POST in English 13 Jun 96 p 15

[Report by Ekkarin Phetsiri]

[FBIS Transcribed Text] Finance Minister Bodi Chunnanon has spelled out how he plans to make Thailand more competitive and efficient.

During his time as minister, he will focus on:

- Gradually reducing domestic interest rates to assist investment, while closely controlling inflation;
- Stabilising the country's currency exchange system and the exchange market;
- Effectively governing the banking sector and financial markets;
- Strengthening financial infrastructure and creating a relationship between the three most important markets: capital, derivatives and currency;
- Promoting the issue of new types of derivatives to raise funds;

— and promoting domestic savings through bank accounts, provident funds and other means.

Thailand had to bring its financial policy into line with the world's capital and money markets, and prepare a solid base for it to become the financial hub of the region, he told a seminar yesterday on the state of the country's capital and money markets in 2000.

The General Agreement on Trade in Services and advances in telecom had brought closer links between Thailand's financial sector and worldwide influences.

The direction of world markets would be the key in shaping Thailand's first national financial plan due to be completed soon, he said, adding liberalisation of the sector would remain the major goal.

Thailand would take the leading role in strengthening cooperation among members of the Association of the Southeast Asian Nations, especially in the financial sector, he said.

The country began its liberalisation in 1991 when it accepted an International Monetary Fund regulation on freeing up its financial market.

In 1993, the Bangkok International Banking Facilities were established to allow domestic and foreign banks to provide off-shore loans for Thais.

Thailand: Daily Views New Economic Committee

BK1406073896 Bangkok BANGKOK POST in English 14 Jun 96 p 4

[Editorial: "Putting Economic Policy on Firmer Ground a Good Move"]

[FBIS Transcribed Text] The appointment of a new prime ministerial committee to handle economic "stability" could be a genuine move to improve economic policy, or it could be an attempt at window-dressing. It could even be an attempt by the chairman, Prime Minister Banhan Sinlapacha, to bring together the country's best economists so that he can learn some economics. We will not know until the committee starts to work—its first meeting is in the next few days.

Certainly the committee's membership contains enough intellectual and administrative authority. Its deputy chairman is Deputy Prime Minister Amnuai Wirawan (a former Finance Ministry permanent secretary). It includes the heads of the three key government agencies handling macro-economic affairs: Finance Minister Bodi Chunnanon, Finance Permanent Secretary M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun, Bank of Thailand Governor Wichit Suphinit

and National Economic and Social Development Board [NESDB] Secretary General Sumet Tantiwetchakun.

It includes two former finance ministers, Dr Suthi Singsane and Dr Wiraphong Ramangkun, and a former deputy commerce minister, M.R. Pridiyathon Thewakun, now president of the Import-Export Bank.

It includes the chairman of the prime minister's own advisers: Dr Khosit Panpiamrat, whose past positions include deputy NESDB secretary general and agriculture minister. And it includes Dr Chalongsopha Susangkorn, president of the Thailand Development Research Institute [TDRI], one of the country's top economists but a new comer to hands-on political activity.

If that collection of superstars cannot get a grip on the country's economic policy, then God help us. Between them, they have both the expertise and the political power to take whatever actions are necessary. On the whole, they are reasonably like-minded with some shades of difference, for example over how dangerous the present trade deficit is. Some have shown themselves in the past to be more susceptible to political pressures than others, and that could be the committee's weakness, both in terms of reviving confidence, and for actually implementing sound policies.

The committee's title represents the government's priority in economic policy: "stability", the code word economists use when they are focusing on inflation (prices and the cost of living) and the trade balance in goods and services (the current account).

It is a revealing priority, reflecting the fragile state of domestic and international confidence in the economy, thanks to the questionable performances of former Finance Minister Surakit Sathianthai, Mr Wichit and the discredited Group of 16 Chat Thai faction. By contrast, the Chuan government was able to focus on income distribution rather than stability because the public, rightly or wrongly, had more faith in its macro-economic management.

The committee's ability to maintain economic stability will depend on its independence from political pressure. One area of contention is likely to be interest rates. Already during the recent no-confidence debate the opposition complained that interest rates were too high, raising costs and hurting competitiveness. The other side of the coin is that lower interest rates stimulate economic activity and can worsen inflation and the trade deficit.

There is no such thing as a single appropriate interest rate. Legitimate debate can cover a range of rates. But the business community can try to push policy into more dangerous areas, as has happened in the past.

On the whole, the attempt to place economic policy on firmer ground is welcome. But there are a few niggles that could still prevent a revival in public confidence. One is the question of political susceptibility. Another is present lack of confidence in the Bank of Thailand and in Mr Wichit. A third is whether it is appropriate to isolate economic stability from the other objectives of economic policy, particularly when inequality is also a priority problem.

A fourth is the double-edged sword of Dr Chalongsopha's presence on the committee. The public needs non-governmental research institutions to provide competent, independent assessments of policy, particularly on issues that have a high technical content such as economic stability.

Only three institutions in this country have really acquired a reputation for sound macro-economic analysis: the Bank of Thailand, NESDB and Thailand Development Research Institute. (Siam Commercial Bank's research unit could be a fourth candidate.) Only TDRI has been independent and this week that independence is under threat. If there were other similar think tanks around, this would not be a problem. The fact is, there are none.

With its president on this new government committee, TDRI could be prevented by etiquette from criticising the government — or equally from giving praise where praise is due. Without that kind of independent assessment, the public's judgement of government policy will depend even more on faith, impressions and image. That is not a healthy situation.

Vietnam

SRV: Ministry Mourns Death of Le Mai; U.S. Reaction Noted

BK1406110796 Hanoi Voice of Vietnam in English
1000 GMT 14 Jun 96

[FBIS Transcribed Text] The Vietnamese Foreign Ministry on Thursday released the communique expressing sorrow over the demise of Deputy Foreign Minister Le Mai because of a heart attack on Thursday at the age of 56. The communique said his death was a great loss to the Vietnamese diplomatic service.

Mr. Le Mai was regarded as an important person in the normalization of relations between Vietnam and the United States. Upon learning of his death, the U.S. Embassy in Vietnam has sent a message of condolences to his family, while the spokesman for the U.S. State Department said Mr. Le Mai is a respected diplomat and a friend of many Americans. Mr. Roy Morey, a UN resident representative in Vietnam, said Mr. Le Mai

will ever be remembered as an outstanding Vietnamese diplomat.

SRV: Development of U.S. Ties, MIA Cooperation Viewed

*BK1406105596 Hanoi Voice of Vietnam in English
1000 GMT 14 Jun 96*

[Station commentary]

[FBIS Transcribed Text] Vietnam on Monday handed over to the U.S. seven sets of remains of American servicemen reported missing during the Vietnam war. Our radio comments:

Since early this year, Vietnam has twice handed over the remains of American servicemen to the U.S. This brings the total sets of remains handed over by Vietnam so far to 500. This demonstrates the humanitarianism and goodwill of the Vietnamese Government and people.

In a letter sent to the U.S. Congress a week ago, U.S. President Clinton acknowledged the Vietnamese Government's sincerity and cooperation with the U.S. in searching for missing American servicemen. During his recent visit to Vietnam, Democrat senator and senior member of the U.S. Senate External Relations Committee Claiborne Pell also thanked the Vietnamese Government and people for their effective cooperation in solving the MIA issue and acknowledged the positive recent development in the U.S.-Vietnamese relations.

Reality shows that since restoration of normal relations between the U.S. and Vietnam in July 1995, the political, diplomatic, commercial, cultural, scientific, and technical cooperation between Vietnam and the U.S. has been developing rapidly. The U.S. now ranks sixth among foreign investors in Vietnam with the investment capital of \$1.2 billion in 56 projects. Two-way trade turnover amounted to \$460 million in 1995 and this figure is expected to double in 1996.

The continuing cooperation between Vietnam and the United States in solving the MIA and other humanitarian issues left behind by the war will contribute to developing bilateral relationship.

SRV: Progress of Foreign Direct Investment Detailed

*BK1406160696 Hanoi NHAN DAN in Vietnamese
9 Jun 96 pp 1, 4*

[Essay by P. H.: "Foreign Investment Is Conforming With the Economic Direction and Structure for the Coming Years"]

[FBIS Translated Text] As of 31 May, 1,603 foreign direct investment projects involving more than 700

companies from 50 countries and territories with a total registered capital of \$20.1 billion had been granted operating licenses in Vietnam. At present, 1,454 projects (with a registered capital of \$18.5 billion) are in operation. Foreign investment has increased rapidly. Total foreign investment in 1988, the first year after the promulgation of the Foreign Investment Law, was \$336 million. In 1995, it increased to \$7.457 billion, an increase of 50 percent per year. The average invested capital in each project (except in oil and natural gas investment projects) has continuously increased over the years, from \$3.5 million in 1988-90 to \$7.5 million in 1991, \$7.6 million in 1992, \$10 million in 1993-94, and \$16.38 million in 1995.

Over the years, the foreign investment structure has proved suitable to the economic transformation. If investment capital concentrated mainly on oil exploration and exploitation (32.2 percent) and hotels (20.6 percent) in the early years, investment in industry has increased significantly since 1991 — especially in 1994-95. Eighth years after the introduction of the Foreign Investment Law, 64.6 percent of foreign capital is invested in material production and more than 60 percent of this investment has been used to improve and upgrade existing production capacity. There have been many important projects — the Trang Kenh, Nghi Son, Sao Mai, Van Xa, and Phuc Son cement production projects; steel production plants in Haiphong, Thai Nguyen, and Ba Ria-Vung Tau; automobile and motorcycle assembly plants; export processing zones; and industrial zones. In infrastructure, we have some major projects in posts and telecommunications, the Hiep Phuoc electricity service, Binh Chanh-Nha Be roadways, Vung Tau port, and so forth. In agriculture, there are some significant projects to plant banana and vegetables to process using modern technology, plant and process rubber, plant trees for paper production, sugar production plants....

Investment in various regions has become more balanced. Most foreign projects with about 84 percent of the capital are concentrated in the three key economic areas. If foreign investment in the northern provinces in the early years was accounted for only 25 percent with 20 percent of total capital, in late 1995 this had changed to 31 percent and 36 percent, respectively. Most of the mountainous provinces and central highland provinces have foreign investment projects, though far less in number and capital than the other provinces. Localities that enjoy a high amount of capital are Ho Chi Minh City, Hanoi, Dong Nai, Song Be, Haiphong, Ba Ria-Vung Tau, Quang Nam-Da Nang....

The capital that was put into operation over the years is \$620 million (1988-91), \$463 million (1992), \$1.002 billion (1993), \$1.500 billion (1994), and \$2.000 billion

(1995). As of the end of 1995, the operational capital is \$5.585 billion, or about 29-30 percent of the registered capital.

The business volume of foreign-invested enterprises was \$192 million in 1988-91 (with \$52 million from exports), \$230 million in 1992 (with \$112 million from exports), \$358 million in 1993 (with \$115 million from exports), \$850 million in 1994 (with \$350 million from exports), and \$1.277 billion in 1995 (with \$400 million from exports). These enterprises contributed \$91 million to the state budget in 1988-92, \$120 million in 1993, \$128 million in 1994, and \$195 million in 1995. (These figures do not include the activity of the Vietsopetro Oil and Natural Gas Joint Venture or the Dai Hung Oil Field.)

By the end of 1995, foreign investment enterprises had created new production capacity with 1 million tonnes of crude oil, 600,000 tonnes of steel, 50,000 tonnes of lubricants, 7,000 cars, 10,000 motorcycles, 1 million color television tubes, 35 million meters of fabric, 180 million liter of beer, 526 million medicine tablets, 13,500 hectares of forest, 2,500 hotel rooms, and so forth.

The goal for foreign investment in 1996-2000 is to attract more capital with better quality and economic efficiency and in conformity with the general planning to create new production capacity, improve export volume and technological ability, generate more jobs, and transform the economic structure for national industrialization and modernization. The prominent goal is to make foreign investment conform with the general planning and economic structure; improve the quality and efficiency of invested projects; and protect national interests, independence, sovereignty, and political and economic security.

SRV: Deputy Minister Reviews 'Improving' Foreign Investment

BK1406022696 Hanoi Voice of Vietnam in English 1000 GMT 13 Jun 96

[From the "Vietnam Economy" feature]

[FBIS Transcribed Text] Deputy Minister of Planning and Investment Nguyen Nhac said foreign investment in Vietnam is improving. He reported that in the first five months of 1996, total registered investment capital was \$4 billion [as heard] higher than the same period last year. More importantly, he said, foreign investors have responded to areas more suitable to Vietnam's requirements.

Production projects made up a large proportion in the total number of investment projects. The largest project

licensed has an investment capital of \$255 million. It is the Phuc Son cement plant in Hai Hung Province, which is between the capital city of Hanoi and the port city of Haiphong.

Many major groups from Japan, South Korea, and Germany are changing from business projects into major production projects. The United States and British groups have a long-term investment plan in Vietnam up to the year 2010. (In addition), 45 countries and territories in the world have invested in 1,500 projects capitalized at \$20 billion in Vietnam. The largest investor in Vietnam is Taiwan. It is followed by Hong Kong, Japan, Singapore, South Korea, and the United States. Seventy percent of the projects are in production and 30 percent in services in other areas.

Thanks to foreign capital sources, more than 90,000 people have been given permanent jobs and 100,000 others picked up indirect jobs. Worthy of note is that investment projects are located in all the three regions — north, central, and south. Ho Chi Minh City alone accounted for 30 percent of the total investment projects in the country.

In 1995, foreign-invested enterprises made up 14.2 percent of the total export value of Vietnam's 20 percent industrial products for export.

It is expected that in the coming five years Vietnam will attract \$13-14 billion in investment capital, which will support industrialization and modernization. The key sectors will be oil and gas, power, cement, steel, and mining.

Mr. Nguyen Nhac added that the Ministry of Planning and Investment would sponsor an exhibition on foreign investment on the 10th anniversary of the implementation of the Law on Foreign Investment in Vietnam.

SRV: Foreign Reporting Ahead of Party Congress Declined

BK1406153196 Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Jun 96 p 4

[Article by Thanh Binh: "Too Skillful in Finding Fault"]

[FBIS Translated Text] It is normal and easily understandable that the world community is interested in the Communist Party of Vietnam's upcoming eighth regular congress.

In addition to faithful and objective reports by many people, news agencies, newspapers, and radio stations, it is regrettable that no less than a dozen radio stations, newspapers, and news agencies have strived to distort the situation of the Communist Party of Vietnam in the runup to the eighth party congress.

In its 6 June morning dispatch, VOA listed all the comments of "foreign journalists" whose reflections were completely misleading. Examples of these are:

An RFI [Radio France International] reporter alleged that our government's restriction on visitors to Hanoi during the upcoming party congress is due to "Vietnam's heightened vigilance against hostile forces!!!" In reality, thousands of official delegates, hundreds of correspondents from various localities in the country, and dozens of delegations of foreign guests and journalists will travel to Hanoi during the congress. As services and hotel facilities in Hanoi are limited, we must limit the number of foreign visitors to Hanoi. This is simply because we do not want to face a situation in which there is not enough room and board for visitors.

Hanoi's policy to intensify the lighting system on various streets and at various public places — something usually done on festive occasions — was branded by REUTER as an "unusual development showing that the Communist Party is worried about potential unrest in the capital!!!"

The prime minister's directive banning drunks was also interpreted by the foreign media as a policy related to "political security and a move by the Communist Party against peaceful evolution schemes."

More than a few "commentators" have been discussing the recent party congresses at various levels, especially at the province and city level. In localities where there was a leadership change, they alleged that "differences, power struggles, or infighting may have occurred." In localities where there was no leadership change, they said "these localities are very conservative, and the infighting failed to cause any leadership changes!!!" What do they think we should do?

VOA also quoted a certain diplomat in Hanoi by the name of William Edward as saying "the party congress must cope with difficulties unprecedented in previous congresses!!!"

There have been many more groundless comments and ill-intentioned reflections, but we think these examples are enough for us to recognize the foreign press agencies, newspapers, and radio stations that harbor ill intentions against Vietnam. How skillful in finding fault!

SRV: Dissident Freed After One Year in Jail

BK1406042796 Hong Kong AFP in English
0405 GMT 14 Jun 96

[FBIS Transcribed Text] HANOI, June 14 (AFP) — Hoang Minh Chinh, a former top Vietnamese official who has been a steadfast critic of communist rule, was

released from jail Friday after serving a year in jail for "anti-state activities," his family said.

The 77-year-old dissident, who has spent many of the past 30 years in jail or under house arrest, served out a 12-month prison sentence despite severe medical problems, including tuberculosis and heart and intestinal ailments.

His family said he was very weak and tired after spending a year in three different jails but that he was in good spirits and maintained his innocence.

Chinh, a former revolutionary fighter and top ideologue, was arrested in June last year along with another dissident Do Trung Hieu for possession of allegedly "anti-socialist propaganda."

His arrest was seen as part of a move by Communist Party hardliners to crush demands for the rehabilitation of numerous top officials purged and jailed in the 1960s when the party was wracked by ideological conflicts.

Chinh was sentenced to a year in jail in November, dated from his arrest on June 14, 1995 when he was picked up at his home in Hanoi. His release comes just ahead of the Communist Party Congress due to open on June 28.

SRV: VFF Chairman Interviewed on Great National Unity

962E0048A Ho Chi Minh City TUOI TRE
in Vietnamese 18 Apr 96 p 4

[Interview with Le Quang Dao, chairman, Vietnam Fatherland Front, by Le Tho Binh; place and date not given: "Let Us Get Rid of Prejudices and Turn to Common Goals"]

[FBIS Translated Text] *As we have reported earlier, the draft political report that the 7th-term CPV Central Committee will submit to the Eighth Party Congress has been made public for the purpose of soliciting opinions from the people. The following interview with Vietnam Fatherland Front (VFF) Chairman Le Quang Dao deals with a number of matters that the draft political report raises in connection with the policy of great national unity in the new stage.*

[Binh] Mr Chairman, in the new revolutionary stage of national industrialization and modernization, how is the question of the great national unity recognized in the spirit of the forthcoming Eighth Party Congress?

[Dao] One of the 10 major tasks aimed at fulfilling by the year 2020 the goals and directions for national construction and development, mentioned in the Central Committee's draft political report to be submitted to

the Eighth Party Congress, is to achieve great national unity; to develop the people's ownership role; to bring great national unity to a new height and depth; to gather everybody in the great national family of Vietnam; to get rid of prejudices, complexes, and hatred; and together to struggle for common goals, namely, national independence, progress toward national prosperity and strength, and achievement of a just and civilized society. In order to do all that we must ceaselessly consolidate and broaden the organization and activities of the VFF so as to turn it into a real organization that forms a great all-people unity bloc and a place where the aspirations and will of the people of all walks of life are expressed and where the actions of all members are unified and participation along with the party and state is carried out in fulfilling the tasks of building and defending the fatherland and strengthening the close relationships between the people and the party and state.

[Binh] Mr Chairman, in order to turn the party's slogan — "The great unity must use the common goals as the points of agreement; at the same time, accept the points of difference that are not contrary to the common national interests; and promote together getting rid of prejudices, complexes, and hatred and moving toward the future for the sake of independence of the fatherland and freedom and happiness of the people." — into reality, how do we materialize the policies and various activities of the party, state, and VFF?

[Dao] In every revolutionary period, in order to form a unified national front and to develop to a high level the all-people unity strength for moving the country forward, it is necessary to have common goals and a unified program of action in conformity with the laws of social development and national realities, so as to satisfy the needs and aspirations of the great majority of people. At the same time, for the sake of the great national cause, we must know how to yield to one another and to accept and even to respect one another's differences that are not harmful for the national interests and not contrary to the common goals. In order to carry out the present common goals and the 12-point VFF program and to accelerate our industrialization and modernization, the VFF is responsible for relying on the opinions of the people in all walks of life and proposing to the party and state recommendations on the necessary policies, laws, and solutions aimed at continuing to step up renovation, the development of the multicomponent commodities-based economy operating in accordance with the market mechanism under the state's management, and the efforts to create favorable conditions for the people to get rid of hunger, to reduce poverty, and to get rich in a legal way. For instance, we must adopt correct policies to be able

to mobilize the larger part of the people's capital for economic development; to protect the legitimate interests of the people in all walks of life, including those of laborers and labor users; and to ensure equality among the economic components, and the right policies aimed at developing the talents and the minds of our intellectuals inside the country and abroad, particularly the young generation. In addition, we must pay attention to other policies, such as the ones that ensure the people's democratic rights and maintain the nation's laws as stipulated in the Constitution, the policy of freedom of religion, the nationality policy, the policy applicable to overseas Vietnamese, and so on. We must materialize these policies by means of the necessary legal and sublegal documents. More important, we must incorporate our policies and laws into daily life. That is the responsibility of the state, the VFF, mass organizations, and all the people.

[Binh] The party is both the leader and a member of the VFF, an equal one in relation to other members. How must this relationship be dealt with so that through the VFF the party leads all the people toward successfully achieving the renovation of the country?

[Dao] We should not understand the party's leadership role as that of an organization having superior power over the rest and thus forcing all to listen to it. The leading role of the party is that of a vanguard: The party grasps the revolutionary theory, the related scientific matters, the country's realities; draws conclusions from the experience in the people's activities; and on that basis, proposes correct lines and policies in order to move the revolution forward and to bring benefits to the people. This line is institutionalized into law. Then the party acts as a vanguard and in an exemplary manner in implementing this line so as to let all the people follow and implement it. As Uncle Ho had said, "Party members take the lead, people in villages and the country follow." As to the powers, they must belong to the people. The fact that the party leads the state serves to ensure that all powers belong to the people and help to develop their ownership right. Therefore, the important factor allowing the party's leadership to remain a correct one is the fact that the party must have a blood-flesh relationship with the people and be able to listen to the people's opinions and to understand their legitimate aspirations. The fact that the party and state let the VFF know their major decisions and policies in order to solicit the people's opinions through their representative, the VFF, also means that they want the VFF to clearly see and thoroughly understand such policies and decisions in order to mobilize the people for supporting and implementing this correct line and

to turn it into major victories. Therefore, the VFF is a bridge linking the party and the people.

[Binh] Mr Chairman, through the VFF-people bridge the VFF submits its opinions and aspirations to the party. What must the VFF do in order to let the people in all walks of life, particularly the intellectuals in the country and abroad, devote all their heart and soul, talent, and intelligence to making contributions to the party and worthily contributing to the country's industrialization and modernization that the party has initiated and has been leading all the people to carry out?

[Dao] The VFF always likes to listen to the opinions of people of all walks of life and fully assembles all of the opinions that it has listened to in order to express them to the party and state and to let the party ponder over, consider, and accept them. Among the opinions gathered from people in all walks of life, particularly from intellectuals, there are unified ones that have the agreement of the majority, but there also are opinions that remain different. This is a normal situation, for there are opinions that are not accepted right away but in the future, when they become correct, will be accepted. As

to the different opinions, there is no other way than to listen to them, to continue to study them, and to let them be proved right or wrong by the realities. If they are correct and beneficial ones, they will certainly be accepted. The party, the state, and then the VFF appreciate all of the opinions that result from the heart and soul of people from all walks of life even though these opinions may be correct or still incorrect. The opinions that receive agreement or do not as yet receive agreement are all necessary ones because they at least suggest something for us to think about. To perceive is a process; therefore, what is important is that the more we develop the democratic sense in collecting the people's opinions, the more we come close to finding the truth and being able to limit our mistakes and failures. What is no less important is the fact that we must know how to listen to various opinions and to accept the correct ones in order to further develop and better our revolutionary undertaking. That is also the responsibility of the party, the state, the VFF, and all the people.

[Binh] Thank you, Mr Chairman.

Australia**Australia Agrees To Donate Money for DPRK Food Aid***LD1306170896 Melbourne Radio Australia in English 1100 GMT 13 Jun 96*

[FBIS Transcribed Text] Australia is to contribute half a million dollars to ease the severe food shortage in North Korea. The United Nations has estimated that 65 percent of people in North Korea will suffer hunger, malnutrition, or starvation in the coming months. The food shortage follows floods in August last year which caused major damage to crops and destroyed wide areas of farmland. The Australian aid will be part of United Nations food assistance to North Korea.

Australia: Editorial Views Howard Government's First 100 Days*BK1006052096 Sydney THE SYDNEY MORNING HERALD in English 10 Jun 96*

[Editorial: "100 Days" — received via Internet]

[FBIS Transcribed Text] Assessing a government's performance after three months rarely allows more than a summary of style and priorities of an administration rather than an analysis of substantial achievements. In the case of the Howard Government, those priorities largely have been set for it, not by it. The deterioration in the Budget deficit means the Government's priority over the next two years is to substantially cut government spending. That also means, of course, limiting its ability to embark on any new expenditures.

The ramifications of cutting about \$8 billion [Australian dollars] in spending over two years are still dawning on the Government. Already, it is obvious, however, that many of its election promises are now untenable. The backlash this will cause will be a major test for Mr Howard. The latest Herald-AGB McNair Poll suggests the Government's honeymoon has already ended and that Labor is beginning to claw its way back. And more of those who deserted Labor on March 2 will come back to the fold after the August Budget.

This will pose challenges and risks for the Government. The Government will have to be more aggressive and take every opportunity to justify to the public the need for its decisions and actions. There has been a tendency for some ministers to assume that the animosity voters displayed towards the Keating Government would automatically translate into public goodwill once the Budget pain begins. But the Government has failed to sell the

necessity for such large spending cuts and has fallen into the trap of justifying them on the simplistic and politically convenient basis of the (shrinking) "\$8 billion black hole" instead of the more accurate grounds of correcting the persistent current account deficit.

The risks for the Government will multiply as its political opponents become bolder in interfering with its legislative program. Already, the Workplace Relations Bill has been referred to a Senate committee and Labor is threatening about 200 amendments. The legislation for the part-privatisation of Telstra is likely to be rejected outright. When the popularity of the Government tumbles, as it inevitably will after the Budget, the prospects of a double dissolution will recede. Mr Howard, who has so far handled the prime ministership as though he was born to it, will need infinite patience and wisdom in negotiating his way through a hostile Senate.

Fiji**Fiji: Atoll Nuclear Plan 'Smokescreen' for Marshall Islands***LD1006084396 Wellington Radio New Zealand International in English 0700 GMT 10 Jun 96*

[FBIS Transcribed Text] The plan by a private U.S. company to use Palmyra Atoll as a nuclear waste dump may in fact be a smokescreen for the Marshall Islands government's project to store such waste—that's according to Lopeti Senatole, spokesman for the Pacific Concerns Resource Center [group promoting Pacific traditions] in Suva [Fiji].

Alex Copson, a spokesman for the company U.S. Fuel and Security, insists the plan is part of a U.S. national security project to find ways of rendering plutonium harmless, but Lopeti Senatole says the plan to store 200,000 tons of plutonium and nuclear waste in steel containers in a tiny atoll in (hurricane-) affected waters is so outrageous that it may be a cover for something else:

[Begin Senatole recording] I think it's absolutely devastating. I think it's crazy. But at the same time we are worried that this may be a red herring to draw attention away from the Marshall Islands government's proposal—remembering that this Copson fellow, who is behind the Palmyra Atoll project, is also involved with the Marshall Islands government proposal to become a permanent site for the disposal of low-level radioactive waste. [end recording]

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

